



## NEWS: INTERNATIONAL

# Kosovo's Albanian rebels take up arms

**Guy Dinmore** reports from Lausa, Serbia, on a fresh outbreak of ethnic violence in Yugoslavia

**T**hree weeks after Halit Geci, an ethnic Albanian teacher, was shot dead by Serbian police, the menfolk of his clan still assemble each day to grieve the thousands of visitors bearing messages of condolence.

Sitting cross-legged on rugs in the main family room where women traditionally do not enter, more than 20 men of all ages take turns to eulogise the dead man.

In what amounts to a council of war the elders explain why the villagers of Lausa can no longer tolerate what they see as decades of oppression by the Serbian occupiers of their lands.

The events surrounding Geci's death may well prove to be a turning point in the turbulent history of Kosovo, the poorest corner in the south of Serbia, where ethnic Albanians make up 90 per cent of its two million people and overwhelmingly demand independence from Belgrade.

A rebel movement is being born in the untamed hills surrounding Lausa. Just 50 minutes drive from the provincial capital, Pristina. Local people refer to a cluster of villages up mud tracks beyond Lausa as "liberated areas" where the Serbian security forces normally dare not enter.

It was on November 25 that police made a rare foray into the village of Vojnik to enforce the collection of taxes. They came under a hail of gunfire and retreated. The next day they returned in force only to find they were way blocked.

Gunmen in the hills opened fire with rocket propelled grenades and automatic weapons. After several hours of sporadic shooting the Serbian column turned back, firing at random into farmhouses, a shop, a mosque and the school where Geci

was hit.

Local journalists and politicians say 20,000 people attended his funeral. Among them, to the amazement and delight of the crowd, were three men in army fatigues with submachineguns. One of them declared they were members of the Kosovo Liberation Army and were there to fight for independence. The crowd chanted UCA, the Albanian acronym for the rebel group, which had never appeared in public before.

Little is known about the UCK, which has claimed responsibility for a string of attacks on police stations and Albanians regarded as collaborators. But villagers clearly sympathise with the group.

"Sufferings are not strange to us," said one of Geci's relatives. "But finally there are young men who think differently. I don't know who they are or what they do but it is clear that the oppression is no longer bearable."

Funded and organised by the large Albanian diaspora in Germany and Switzerland, the UCK, with perhaps 200 or 300 guerrillas, has in recent months begun mobilising villages in the area around Lausa. It is quickly finding new recruits.

Western governments are alarmed at the emergence of the group and fear that events in Kosovo could spin out of control, in the worst case evolving into a Bosnian-style ethnic war involving Albania and the nearby Republic of Macedonia, which also has a large ethnic Albanian minority.

It was in Kosovo that Slobodan Milosevic, then president of Serbia, sowed the seeds of Serbian nationalism that contributed to Yugoslavia's violent disintegration. In 1989 he stripped Kosovo of its provincial



Ethnic Albanian protesters confront Serbian police in October; now guerrilla groups are mobilising

autonomy and installed direct rule from Belgrade.

But while the Roman Catholic Croats and the Moslems of Bosnia fought separatist wars to block the formation of a "Greater Serbia", the Albanians of Kosovo, led by Ibrahim Rugova, adopted a strategy of non-confrontation.

The Democratic League of Kosovo (LDK) declared an independent Republic of Kosovo with Mr Rugova as its president.

Simply ignoring the Serbian state, the LDK created a parallel government with its own education, healthcare and taxation systems. A government in exile based in Bonn raises funds from the diaspora.

Many credit Mr Rugova's policies with preserving an uneasy peace in Kosovo. But his position is also under threat as many Albanians turn to the radical UCK. Thrown

out of their jobs by the Serbian authorities and tired of waiting for Mr Rugova to deliver his promises of statehood and for the international community to get involved, a new generation of Albanians sees violence as the only way of gaining attention for their cause.

The Serbian government has so far rejected calls for dialogue with international mediation. Mr Milosevic is now president of what is left of Yugoslavia - Serbia and Montenegro - and proclaimed this year that Belgrade would not "give up an inch" of Kosovo, where the first Serbian kingdom was founded in the 13th century.

On Tuesday 15 Albanians were given jail terms from four to 20 years for "terrorism" and membership of the UCK. Defence lawyers and foreign diplomats denounced the trial as a farce with evidence based almost entirely on confes-

sions the accused said were extracted through torture.

Alban Neziri, a 23-year-old medical student, was one of two men found innocent and released. Back at home for the first time in almost a year he recounted how he was tortured for nearly a month.

His torturers, police in civilian clothes, were methodical and thorough, he said, starting with batons on the soles of his feet and working their way up his body to his head. He was chained and naked.

Mr Neziri, who was a student activist, said he knew nothing about the UCK and was still committed to finding a peaceful way to gain independence for Kosovo.

"People want peace but when

there is no other way to achieve

liberation from our occupiers then

I would certainly take up arms for

my state. But this is the last

option."

Spain won some reductions in the size of cuts in quotas asked for by the Commission.

Britain's fisheries minister Elliot Morely said: "There are signs the reduction in (fishing) effort is beginning to pay dividends."

The row over horse mackerel, on which a quota was imposed for the first time, led to the intervention of French President Jacques Chirac and finally prompted the Irish to walk out.

*Michael Smith, Brussels*

## NEWS DIGEST

## Mobile phone battle grows

Leading mobile telephone and network equipment suppliers yesterday stepped up their battle over a common European technology for the next generation of mobile phones.

Seven suppliers from six countries vowed to continue pressing for their jointly-agreed system, despite strong opposition from a rival Scandinavian technology.

Motorola of the US, Alcatel of France, Italtel of Italy, Northern Telecom of Canada, Siemens and Bosch of Germany, and Japan's Sony expressed confidence they would defeat an alternative proposal by Ericsson and Nokia, the Swedish and Finnish groups.

Members of the European telecommunications standardisation body this week voted in a test ballot to support an Ericsson/Nokia-backed technology called W-CDMA as the technology to form the basis of a future European standard for third generation mobile telephony.

W-CDMA has already been preferred by the world's leading supplier of cellular infrastructure, NTT DoCoMo of Japan. Ericsson and Nokia say that if endorsed by the standardisation body, it could pave the way for a common standard for Europe and Asia succeeding GSM, the de facto world standard for second-generation mobile phones. The Motorola group is pressing for adoption of a system known as TDMA/CDMA which can be deployed in existing GSM networks.

*Greg McIner, Stockholm*

## ■ EU FISHING QUOTAS

### More cod can be caught

European Union fisheries ministers yesterday agreed fish catch quotas for 1998 in a deal which permits increased allowances for some fish such as North Sea cod.

However, a row over horse mackerel held up the negotiations and in the end caused the Irish minister Michael

Healy to leave the table without signing the final deal.

"There were some requests for a decrease in TACs (Total Allowable Catch) - an historic event in itself," said EU fisheries commissioner Emma Bonino, who collapsed through exhaustion at the end of last year's marathon talks.

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## ■ CYPRUS MISSILES

### Russia says deal is still on

Russia yesterday strongly denied a Financial Times report that it might pull out of an agreed sale of surface-to-air missiles to Cyprus.

"We categorically deny this," said Gennady Tarasov, of the Russian foreign ministry. He was referring to an FT report, which said Russia had signalled its readiness to halt the sale of S-300 anti-aircraft missiles to the Greek Cypriot government.

Turkey argued that the missiles will upset a balance of military forces on the divided island of Cyprus by undermining Turkish air power. The dispute could further sour relations between two Nato partners, Athens and Ankara, that have a long history of hostility.

Mr Tarasov repeated Russia's view that the S-300 missiles were purely defensive weapons.

*Reuters, Copenhagen*

## ■ EL AL AIRCRAFT PURCHASE

### Cut-price Boeing beats Airbus

El Al, Israel's state-owned airline, yesterday decided to buy five 737 jets from Boeing after the US aerospace manufacturer cut its price by 6 per cent following strong competition from Airbus.

Boeing, El Al's traditional supplier, revised its offer in a difficult situation in which the US and Israel's defence ministry put pressure on El Al to choose Boeing. The US gives Israel \$30m a year in aid and loan guarantees.

El Al declined to say how it would pay Boeing but the deal is worth about \$200m. The planes will be delivered in 1999.

El Al will use the new aircraft to boost profitability by offering more frequent flights on regional and European routes. It lost more than \$83m last year but since then has returned to profit as the government prepares to privatise the airline.

*Judy Dempsey, Jerusalem*

## ■ MICROSOFT COURT CASE

### Judge doubts software claim

A US judge yesterday challenged Microsoft's assertion that its operating system, Windows 95, was difficult to separate from its internet browser, saying it had taken him 90 seconds.

Judge Thomas Penfield Jackson, left, of the US district court for the District of Columbia, was considering a bid by the Justice Department to force Microsoft to give its licensee a real choice of browser system. The judge put off until January 13 his hearing of the substance of the case, but made clear to

Microsoft that he expected to hear better arguments than those used hitherto about the inseparability of Windows 95 and the standard browser.

He said he had been given a demonstration on a personal computer in which the latest version of Windows 95 and the Internet Explorer browser system had been pre-installed. He found it possible to "uninstall" the browser in a minute and a half. "I'd like to have it confirmed that it's not that simple," he said.

*Bruce Clark, Washington*

## ■ WAR CRIMES TRIAL

### Three suspects to be freed

Yugoslav war crimes tribunal judges agreed yesterday to release three Bosnian war crimes suspects after the court's chief prosecutor said there was insufficient evidence.

Marinko Katava, Pero Skopljak and Ivan Santic were expected to be flown home today. The tribunal took the unprecedented step after Louise Arbour, chief prosecutor, said there was insufficient evidence that the three were involved in an ethnic purge of Muslims from central Bosnia in 1993.

*AP, The Hague*

## ■ CORRECTION

### Louise Arbour

Early editions of the Financial Times of December 16 inadvertently misspelt the name of Louise Arbour, chief prosecutor at the International Criminal Tribunal for the former Yugoslavia. We apologise for the error.

## 'Germany will weather Asia financial storms'

By Peter Norman in Bonn

Financial turmoil in Asia will not hinder stronger German growth and better job prospects, the Bundesbank says.

The currency and financial crisis in south-east Asia should not be overrated," it said in an upbeat monthly report. It described the crisis as a "necessary correction of mistakes" which would ultimately be positive for the world economy.

From today's perspective, it should not call US and European growth into question. At most, it should produce a temporary slowing of the upturn here."

The ministry judged that the government's economic policy was beginning to yield results and that factors

supporting growth were gathering strength.

Although there has been a steady rise in seasonally adjusted unemployment to 4.5m last month, the report detected "growing signs that the worsening of the employment situation is coming to an end". It suggested that increased investment pointed to a gradual shift from export-led growth to stronger domestic demand that would in turn reverse the rise in unemployment.

Official figures for October, published yesterday, did indeed point to some slowing of Germany's export boom. However, the country's strong sales abroad in the first 10 months of this year have already ensured that the merchandise trade surplus for 1997 will exceed last

year's DM96.6bn (\$55.3bn).

The surplus fell to DM10.5bn in October from DM14.5bn in September and DM11bn in October last year, reflecting a 10.1 per cent increase in exports and 12 per cent import growth compared with October 1996.

Between January and October, the surplus jumped to DM14.7bn from DM8.4bn in the same period in 1996, reflecting 12.6 per cent growth of exports to DM72.4bn in the 10 months and 10.1 per cent import growth to DM62.7bn.

A more euphoric picture of the German economy emerged yesterday from the Frankfurt office of Goldman Sachs, the investment bank, which said several recent economic indicators had been weaker than expected.

IRB have intensified in recent weeks, as several commercial banks froze credit lines in the short-term interbank market amid concerns about IRB's mounting losses and its heavy burden of non-performing loans.

IRB branches remained closed yesterday for a second day, after worried depositors queued outside with cash and savings. The NBS said IRB would re-open today.

Short-term money market interest rates rose sharply in response to the turmoil at the bank, with overnight rates jumping to 28.2 per cent from 22.7 per cent a day earlier, although the Slovak currency was not affected.

The long term future of

IRB remains uncertain. An extraordinary meeting of shareholders due to take place yesterday to vote on a Sk1bn (\$22.2m) doubling of the bank's capital, was abandoned, when the main shareholders failed to attend.

IRB is owned 55 per cent by the state through the National Property Fund, and 40 per cent by VSZ, the Slovak steel producer, and allied interests. VSZ owns just under 15 per cent directly.

The bank's problems have mounted as the main shareholders have failed both to attract a new strategic investor for the bank and to invest fresh capital themselves.

They argue that overproduction only occurred because the Italian authorities were vague over how much each farm should produce.

Mr Prodi feels he must stand firm. For more than a decade, Italian governments paid overproduction fines to the EU. Brussels now insists this should end because it amounts to a state subsidy.

The demonstrations are more than just a row about quotas, however. They reflect deeper fears that Italy's overmanned and inefficient agriculture sector is about to be overhauled. For decades, Christian Democrat governments paid overproduction fines - with their heartlands in the agricultural south - were loyal and generous protectors of the

farmers. "Those easy days have gone now," says Prof

Secondo Tarditi, an agronomist at Siena University.

Moreover, the reform of the EU's common agricultural policy and the prospect of the EU gaining new members in eastern Europe are threatening to bring intense competition and a reduction in subsidies.

"It would be bad news for Italy," says Prof Tarditi, "as these protests raise public sympathy with the farmers' case." He notes that 8 per cent of Italians work in farming, compared with an average of 2 per cent in the rest of the EU. "The idea that, in 1997, we can go on subsidising prices and overproducing is crazy."

## Italian dairy farmers' protest milks the public's sympathy

By James Blitz in Rome

Italy's dairy farmers, angered at being told they rather than the state should pay EU overproduction fines, have taken to the streets with a vengeance.

Last Sunday farmers dragged a huge black and white cow - named Ercolino and now a national celebrity - into Vatican City, just as the Pope was delivering a traditional weekly benediction. Pope John Paul II expressed pleasure at seeing the demonstrators.

On Thursday, farmers staged what they called a "March on Rome", blockading the main roads and railways with tractors. Yesterday, throughout the country,

farmers handed out free fruit and dairy produce to bemused passers-by to gain "solidarity".

Mobile phone  
battle grows

Mobile phone battle grows

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## Mixed blessings for Castro's Christmas decree

Some Cubans need reminding of the meaning of December 25. Pascal Fletcher reports

After 30 years, Christmas in Cuba is back, restored by presidential decree.

You will not see an official Christmas tree in Havana's Revolution Square, but more than ever this year the city's time-worn face of ramshackle decay and faded colonial elegance is being enlivened with festive tinsel, albeit mostly in tourist zones.

On Obispo Street, a popular shopping boulevard, the artificial Christmas trees offered by tourist shops in US dollars have sold out. Festooned with lights and decorations, they now peek still shyly, from inside private homes.

But if you go around wishing "Merry Christmas, compañero (comrade)" to everyone you see, be prepared to receive some blank looks.

True, most Cubans heartily

welcome the prospect of having a day off work on December 25. Christmas Day was abolished as a public holiday in the late 1960s because the island's communist rulers said it interfered with strategic tasks such as the sugar harvest.

Most Cubans also know they can thank Pope John Paul II for the extra day off. He will visit the communist-ruled island next month and had personally asked President Fidel Castro to restore the Christmas Day holiday. Mr Castro has obliged, granting it as an "exception" this year in honour of the Pope's visit.

But when asked, a surprising number of Cubans seem not to know exactly what it is they should be celebrating on December 25.

"Christmas, that's Church Day.

right? Religion Day, no?" said one young father, cradling his toddler daughter outside a shop draped in tinsel.

"Virgin of Charity day?" guessed an older man, recalling Cuba's patroness, the Virgin of Charity of El Cobre, worshipped equally by Catholics, revolution-

aries and devotees of the island's old Catholic religion.

But what of Christmas, the nativity, the birth of Jesus Christ, the near universal festival celebrated every year by millions across the globe?

"We haven't been told about 1959 Cuban Revolution born in the 1960s, 1970s or later, Christmas, its significance and celebration, simply does not exist.

Even for some Cubans old enough to remember how Christmas used to be celebrated, the memory has dimmed.

"We used to have dances," one old lady recalled wistfully. Others remembered the traditional family meal celebrated on Noche Buena (Christmas Eve), or how Havana used to be lit up by Christmas lights.

One person who seems to remember well is 71-year-old

style nougat," he said.

Mr Castro, who was educated by Jesuit priests before he turned Marxist revolutionary, took great pains to explain that his government stopped the Christmas holiday 30 years ago for "practical, economic reasons", not out of anti-religious prejudice.

Not all Cubans, especially Catholics, remember it that way. Braving official disapproval and political ostracism, they stubbornly cling to their faith and their traditions.

"In my family, we've always put up a Christmas tree," said 45-year-old Adolfo Vidal. "There was a kind of taboo before. Not now," he added.

Church-state relations have certainly warmed in recent years, thawing the mutual hostility of the early period of the revolution.

Threatened by the disappearance of the former Soviet bloc and by continuing US hostility, Cuba's leadership has clearly decided it is better to have the Catholic Church as a friend than an enemy.

A ban on religious believers joining the ruling Communist Party has been lifted. Catholic, Protestant and other Church leaders report a resurgence of Christian faith.

The Catholic Church, while welcoming this year's one-off Christmas Day holiday, has called for it to be made permanent. This hope seems shared by most Cubans. So maybe there will be a Christmas tree in Revolution Square one December 25. And maybe by then more Cubans will know what it is they are celebrating.

## Kim promises to implement IMF terms

By John Burton in Seoul and Gillian Tett in Tokyo



Kim Dae-jung pledged support for small businesses

Kim Dae-jung, the president-elect of South Korea, yesterday said that he would implement the tough terms of the International Monetary Fund's \$57bn bail-out in spite of criticising them during the campaign.

"I shall state once more with utmost clarity and emphasis - we shall co-operate with the IMF fully and completely," the centre-left opposition leader told a news conference a day after he was elected with a 40.3 per cent vote against 38.7 per cent for the government candidate, Lee Hoi-chang.

But financial markets fell on the news that Mr Kim would take power in late February.

The Seoul bourse fell by 5.1 per cent as interest rates

end of the month. The worries were prompted by Japan's decision to provide Korea with \$1.5bn in bridging loans to cover debt obligations, something which some traders said indicated Korea's foreign currency reserves were low.

Japanese officials said the bridging loan would ease temporary liquidity problems before a second tranche of \$3.5bn in IMF funds reached Korea next week.

The move reflects concerns in Tokyo about the impact a serious liquidity crisis in Korea would have on Japan's fragile economy and financial system.

Japanese banks held at least \$15bn in Korean debt.

The bridging loan, which is separate from Japan's \$10bn contribution to the IMF's Korean bail-out, would be repaid once Seoul receives the IMF funds.

Japanese suggested that it

might offer another bridging loan in January, if necessary, before Korea is scheduled to receive its third IMF tranche.

The Korean central bank said foreign holdings were sufficient to meet short-term foreign debt obligations this month, which it estimated at \$1.4bn-\$1.5bn.

They said usable foreign reserves would soon reach \$17.5bn for the month after the IMF on Thursday approved the second tranche that follows \$5.5bn provided two weeks ago.

The Asian Development yesterday said it would provide \$2bn this month, while the World Bank is expected to grant another \$2bn.

Michel Camdessus, the IMF managing director, praised Korea's progress in implementing the IMF terms.

"All the measures we recommended have been taken. And they have taken even more than we recommended."

But overseas investors responded warmly to Mr Kim's victory. Spreads for state-run Korea Development Bank bonds widened by more than 100 basis points, while Korean global depositary receipts slipped in London.

Mr Kim said he would support the growth of small businesses at the expense of the big conglomerates that have dominated the Korean economy.

But he avoided mentioning how he would tackle possible labour unrest because of an expected jump in unemployment resulting from industrial restructuring demanded by the IMF.

He also promised to remove barriers to foreign investments and create "a paradise for business."

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**S KOREA BAIL-OUT**

**IMF**  
Promised: \$21bn  
Delivered: \$5.5bn  
Approved for release this month: \$3.5bn

**Asian Development Bank**

Promised: \$4.5bn  
Expected this month: \$2bn

**World Bank**

Promised: \$10bn  
Expected this month: \$2bn

**Japan**

Expected this month: \$1.5bn  
(bridging loan)

**AVAILABLE IF REQUIRED:**

Japan: \$10bn

US: \$5bn

Germany, UK, France: \$1.25bn each

Italy: \$200m

Rest of Europe: \$1.25bn

**TOTAL (excluding Japanese bridging loan): \$57bn**

## US groups eye Turkey arms deal

By Bruce Clark in Washington

The US is chiding western Europe for being too hard on Turkey - but angry US arms salesmen say their country has been tougher on the Turks than Europe, and they have lost money because of this.

As a result of the current visit to Washington by Mesut Yilmaz, the Turkish prime minister, US manufacturers are finally expected to receive the administration's go-ahead to enter a contest to supply Turkey with \$5bn worth of attack helicopters.

But US companies such as Bell Helicopter, Sikorsky and Boeing will be latecomers to a race in which the Franco-German Eurocopter, as well as South African and Russian exporters, are already well-established players.

The Pentagon this month held back from authorising the sale of lethal weapons to Turkey because of the strong opposition such sales have encountered from human rights activists and legislators who represent Greek American voters.

The human rights lobby says western governments should not be fuelling Turkey's efforts against Kurdish separatists and incursions into northern Iraq.

The administration can issue marketing licences for lethal weapons without consulting Congress, but it still needs legislative approval for the sales to go ahead - a procedure that can make arms-buyers with dubious human rights records wary of buying American.

As US arms-makers see it, Congressional squeamishness is merely a gift to their competitors - and they look with envy at the more pragmatic Greeks and Turks.

But the Europeans, on the other hand, don't think the way to punish countries is to make them buy American. They are giving up economic advantage for moral principle.

In practice, however, behind-the-scenes bargaining may have softened Congressional opposition to the sale of attack helicopters and other US weapons to Turkey.

The Pentagon this month prompted Boeing to offer its F16-E - a long-range attack aircraft with the capacity to fight at night - to Greece. This surprise move has prompted speculation that the Pentagon was trying to appease pro-Greek sentiment in Congress as a way of preparing the ground for a delivery of attack helicopters.

Senior US legislators softened their opposition to the sale of several other weapons systems to Turkey, including frigates and Sea Hawk helicopters, after Athens and Ankara pledged in July to resolve their problems peacefully. But they have also warned the Pentagon not to rush the process of reactivating arms deliveries to Ankara.

Human rights activists, meanwhile, have been raising objections to the proposed purchases by both Greece and Turkey. They have questioned whether fueling an arms race in the Aegean is consistent with President Bill Clinton's call this week for a halt to their "irrational" disputes.

## Lee's son to become chairman of Singapore central bank

By Sheila McNulty in Kuala Lumpur

Lee Hsien Loong, the deputy prime minister and eldest son of Lee Kuan Yew, Singapore's founding father, is to become chairman of the Monetary Authority of Singapore (MAS) starting on January 1.

Brig Gen Lee has been leading Singapore's efforts to reform the financial sector, so his appointment yesterday to lead the de facto central bank was seen as a big step toward liberalisation.

The plan to reform, which is becoming known as Singapore's "Big Bang", is expected to start next year. It represents an almost revolutionary step for the highly conservative city state.

Gen Lee recently warned that, in this new age, Singaporeans would have to take responsibility for their own risks rather than expect the government to buffer them from danger.

Gen Lee's efforts to reform the financial sector amid the crisis sweeping the region will be risky and closely watched.

If well executed, they would boost Gen Lee's chances of becoming the next prime minister.

The planned reforms have arisen from the belief that as the global financial system becomes further integrated, there would be room for progressively fewer financial centres.

Tightly managed, Singapore has decided that, to make it one of the top

financial centres in the Asian time zone, it must loosen up.

Although recommendations from Gen Lee's high-level study on financial reform have not yet been formulated, Richard Hu, finance minister and outgoing chairman of the MAS said that foreign brokerage houses would probably be offered more seats on the Stock Exchange of Singapore, which now has 38 full members.

He added that foreigners may be allowed to subscribe to the public share offerings of state-run companies, such as the giant Singapore Telecom.

Stockbrokers say they have been told by officials that a fixed commission

stock sales may be abolished to bring the city state into line with Hong Kong.

The winds of change at MAS became apparent when last month it announced acceptance of the resignation of Koh Beng Seng, its deputy managing director, to be replaced by Tharman Shanmugaratnam, who is regarded as more pro-reform.

Mr Koh had misgivings over the planned liberalisations.

The announcement of Gen Lee's appointment by Prime Minister Goh Chok Tong's office did not explain the move to replace Mr Hu. It did add that

## NEWS: INTERNATIONAL

# Mexico's kidnap wave spawns executive terror

Kidnapping in Mexico has become such a growth industry that crime gangs, it is said, are encouraging young members to snatch "soft targets" such as dogs to give them business experience at an early age. Children, pets, ranchers, millionaires - all are considered fair game in a racket that is turning downright insolent in its expertise.

Yesterday *El Universal* newspaper published a letter on its front page from Fernando Gutiérrez Barrios, a tough former interior minister who is considered godfather of the country's security apparatus, saying he was "enjoying some holidays" abroad.

That was the first official word from him since speculation in the press last week saying he had been kidnapped. He was reportedly released from

Children, pets, ranchers, millionaires and security chiefs are targets in a fast growing industry, with up to 2,000 victims a year. Henry Tricks reports from Mexico City

a seven-day ordeal last Tuesday. In November, newspapers carried stories that Domingo Tassanari, then head of Mexico City's anti-kidnapping squad, had himself been snatched.

Authorities, predictably, denied he was abducted and said the chauffeur who leaked the news had suffered a diabetes-induced lapse.

Kidnapping are rarely confirmed and numbers are sketchy. But security experts say since its economic crisis in 1985 led to a crime explosion, Mexico now has the second highest abduction rate in Latin America next to rebel-plagued Colombia.

Control Risks, a London-based security company logs about 200 cases a year in Mexico, but admits the actual number may be 2,000. That is not to mention the so-called "fast-food kidnaps", in which taxi users are seized at gunpoint and released only after they have withdrawn an instant ransom from their bank machines.

"Most kidnaps require a certain level of planning. They target someone because they've got a real chance of making it pay off. But it can be anyone from a small shopkeeper to a mega-millionaire," said Sandy Markwick, a Control Risks specialist.

He said the targets were more likely to be Mexicans than foreigners. But at least two foreign business executives have been snatched in high-profile cases recently. Last Wednesday, Vincent Carrozza, 47-year-old American manager of the deluxe Hotel Princess in Acapulco, was freed after eight days in captivity.

Last year, the Japanese head of Sanyo Video Components in San Diego, California, was kidnapped after watching a baseball game in Tijuana, just across the Mexican border. His captors demanded a \$2m ransom.

Concern is such that the US embassy

in Mexico City holds monthly meetings with top companies to discuss issues such as kidnapping, said Francisco Gómez Lerma, president of the group known as the Overseas Security Advisory Council. "We tell them to keep a low profile. If they are going to use their Mercedes Benz, be careful where they drive to," Mr Gómez Lerma said.

Bodyguards are no help, he adds: they attract attention and may be in cahoots with kidnappers.

In dealing with kidnapping, Mexican police are largely kept out of the negotiations, partly to avoid bungling and because, consultants say, sometimes

they may be in collusion with the kidnappers.

That has led to an influx of anti-kidnap specialists in recent years and the birth of kidnap ransom insurance in 1984.

Among Mexican executives, the fear of kidnap is verging on hysteria, and justifiably so. One wanted gang leader reportedly cuts off the ear of his victims.

Others murder their captives even after the family pays the ransom. One 31-year-old Mexican executive of a US franchise (who declined to be named because he says kidnappers scour newspapers for clues on who to snatch) has spent \$80,000 bullet-proofing his Cherokee Jeep, and fitted it out with a police siren. But he still takes a different route to work every day or comes in at odd hours to fox assailants.

## Shanghai bulls mark the year of the Ox

The mood may have been bearish in other Asian financial markets in recent weeks, but the bulls were out in force at the opening of the new Shanghai stock exchange yesterday.

As the ribbon was cut on the largest trading floor in Asia in the Chinese year of the Ox, well-wishers chose to mark the occasion with the obvious inauguration gift: a commemorative bull.

"We have all brought bulls to the opening ceremony," said the representative for one fellow Asian bourse, "but, as we know, there are also bears in the securities market."

So far, the Asian bears have spared China's domestic stock markets. Shares denominated in the yuan, the Chinese currency, and traded in Shanghai and Shenzhen, China's other mainland exchange, have been largely immune to the collapse of confidence in Asian economies, sheltered by the limited convertibility of the currency and the strict regulations that govern the markets.

The handful of stocks in mainland China open to foreign investors have not fared so well. Even yesterday, after Shanghai's mayor, Xu Kunqiu, banged a gong to

open trading, Chinese currency shares immediately slipped upwards, while the shares for foreigners - so-called B shares denominated in foreign currency - started to slide. The Shanghai B share index closed down 0.84 per cent at 54.5 points.

But the assembled dignitaries seemed oblivious to the gloom that in recent months has descended on the minuscule market for foreign investors, which has a market capitalisation of roughly \$4.5bn, leaving it dwarfed by the \$200bn domestic currency stock markets, the A share markets, which rank behind Tokyo and Hong Kong in Asia's stock markets.

There was more muttering about the absence of any central government leaders - notably Zhu Rongji, vice premier in charge of the economy - reflecting concern among Shanghai brokers about Beijing's ambivalent attitude towards the infant stock markets.

The Chinese government rallied against speculators and took measures to damp the markets in the first half of the year and has only made piecemeal efforts to reinvigorate them in the last six months.

But spirits were nevertheless

James Harding

Alfredo Yábrán denies link to companies

## Criticised Argentine businessman 'bows out'

By Ken Wain  
in Buenos Aires



Mr Yábrán has repeatedly denied ownership of these businesses, but Mr Cavallo alleges he controls them through a complex series of shareholdings.

OCASA, but Mr Cavallo alleges he controls them through a complex series of shareholdings.

"Alfredo cannot sell what he does not own," said Wenceslao Bunge, Mr Yábrán's spokesman, yesterday. He blamed a continuing campaign by Mr Cavallo for media reports linking Mr Yábrán and the companies.

The Hong Kong Tourist Association acknowledges that news of the disease has spooked would-be holidaymakers. The industry is already suffering from a 20 per cent drop in tourists and is especially vulnerable to a moratorium on visitors from Taiwan, which accounts for almost

one-fifth of all Hong Kong tourists.

Fears are also growing at home. Doctors report daily busier waiting rooms. The government has stepped up its vigilance insisting on the closure and sterilisation of chicken markets, and border checks on poultry arrivals (most of the territory's chicken comes from China).

Fact sheets dispensed by the government say the virus cannot be passed by eating chicken, but housewives are keeping their own counsel on banks and cake-shops.

But it clearly is not a welcome

one. As international experts flew to Hong Kong yesterday to determine, among other things, how the flu bug can be transmitted from person to person, neighbouring Taiwan was responding by slapping up warning posters at its international airports.

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**I**t has been an extraordinary two weeks for South Korea. First it has embarked on an economic revolution; now, on a political one.

The tough terms attached to the International Monetary Fund's \$57bn rescue are likely to transform the country by leading to the dismantling of Korea's dirigiste economy.

The election of Kim Dae-jung as president is both a political counterpart to this economic change and a reaction to it. It is a counterpart because, for the first time in the country's 50-year history, there will be a peaceful transfer of power to the centre-left opposition. His victory threatens the political elite that has run the country for decades.

And it is a reaction because Mr Kim owes his victory to public anger over Korea's economic crisis and the IMF package that is a response to it. During the campaign, Mr Kim criticised the conditions that the Fund attached to the bailout.

The president-elect's core constituency includes trade unionists, small businesses people and farmers – the groups who are most vulnerable to the market-opening measures demanded by the IMF.

But Mr Kim was at pains yesterday to reassure domestic and foreign investors that he was committed to implementing the Fund's programme as he warned his countrymen that "reform without pain is impossible".

Mr Kim's reputation as a

champion of the poor and his noted rhetorical skills may yet win the public over to the controversial IMF conditions. Economic reform, he says, will help promote democracy in Korea as power is taken away from the conglomerates, or *chaebol*, and their bureaucratic allies who have dominated the nation at the expense of small business.

Known by his supporters as "Korea's Mandela", Mr Kim built his career on standing up courageously to the sometimes brutal military governments that ruled the country between 1961 and 1979.

He earned the military's enmity by challenging Park Chung-hee, Korea's first army强人, in a presidential election in 1971. He nearly won even though the polls were rigged. For his pains, Mr Kim spent much of the 1970s under house arrest or in prison, after being kidnapped in Tokyo in 1973 by South Korea's feared intelligence agency.

He narrowly escaped execution.

He was arrested again in May 1980 after the army crushed a pro-democracy protest and killed at least 200 people in the city of Kwangju. Mr Kim's political stronghold. Accused of hav-

ing instigated agitation, he was convicted and sentenced to death.

With his tweed suit and Catholic faith, Mr Kim seemed an unlikely subversive. Following widespread international protests, he was released in 1982 and sought political exile in the US. In 1986, he returned and was placed under house arrest again for one year.

Korea is a country in which regional divisions run deep. Local loyalties can be traced back 1,500 years to when the nation was divided into three separate kingdoms. Today, industrial modernisation has largely bypassed Cholla, because

of the elite (in government and business alike) come from outside the region. The shake-up of agencies such as the finance ministry would also help break the cosy ties between the government and *chaebol*.

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bypassed Cholla, because

former presidents have

been strong advocates of

union rights and a

harm critic of big business.

These views are considered

radical in a nation where

anti-communism remains

the guiding ideology

because of South Korea's

confrontation with its Sta-

nist neighbour to the north.

It is common to hear

Mr Kim described as a "com-

unist" around the dining

tables of Kangnam, the

district of Seoul that is home

to many of the country's lead-

ing businessmen.

Cholla's *hak* could be the

catalyst for a sweeping

reshuffle of the government

bureaucracy that has held

back economic reforms –

because so many members

formed an electoral alliance with a small conservative party that represents a strand of opinion at odds with the unions. This is the United Liberal Democrats, which represents the architects of Korea's state-led industrialisation in the 1950s and 1970s. ULD figures such as Park Tae-yoon, the founder of state-run Pohang Iron & Steel, the world's second largest steelmaker, are likely to hold high posts in Mr Kim's administration.

Mr Kim's own team of economic advisers is regarded as unimpressive, although one rising star is You Jong-keun, the governor of North Cholla province, who is a bitter critic of state economic control. Mr You has encouraged the growth of small businesses in his province and has sought to attract foreign investment, including the proposed purchase of a bankrupt ski resort by Michael Jackson, the US pop singer.

It will be up to Mr Kim to balance the interests of the unions and his ULD partners against reformers such as Mr Youn while also combating the opposition to change that is likely to come from threatened élites. The in-fighting "could delay the formation of a coherent economic policy for months", says George Goundry, an analyst for ABN Amro House Gove in Seoul.

But Korea cannot afford to wait as it seeks to regain the confidence of foreign investors. Mr Kim has an opportunity that rarely comes to change the course of a nation.



Despite his impressive record as a fighter for democracy, his reputation will finally rest on whether he succeeds in reforming Korea and making it a competitive economic power once again.

Roger Matthews looks at the legacy the South African president has left his successor as leader of the ANC

**T**his has been a rough week for some South Africans. In no particular order of suffering they include most whites, counter-revolutionaries, newspaper proprietors, people who joined the African National Congress to get ahead, elitists, bosses of big companies, anyone favouring the death penalty, profiteers and most opposition parties.

One thread links this odd group. They all stand accused, by no less a person than Nelson Mandela, of blocking or sabotaging the transformation of South Africa. For nearly five hours on Tuesday the 79-year-old president stood perspiring on the podium at conference hall in the north-western town of Mafikeng reading out this litany of accusations.

The contrast with an hour-long televised interview two days before – when Mr Mandela, in his more familiar mode stressing forgiveness and reconciliation, had spoken of the ANC's achievements as a "near-miracle" – could scarcely have been more complete.

Mr Mandela's two appearances said much about the apprehensions and divisions of South Africa as it moves

## Dawn of a post-Mandela era



South Africa's past and present: (left to right) P.W. Botha, Thabo Mbeki and Nelson Mandela

into another period of transition – from the Mandela-dominated, post-apartheid era to a post-Mandela time in which the country will no longer have the glue of his personality to hold it together.

The old South Africa was on curmudgeonly display yesterday as P.W. Botha, the last but one apartheid-era president, refused again to testify before the truth and reconciliation commission, causing its chairman, Archbishop Desmond Tutu, to lay charges against him.

The future South Africa had taken a formal bow two days before when Thabo Mbeki assumed the leadership of the ANC from Mr Mandela. Barring accidents, Mr Mbeki will become president in 1999. He is well aware that he can never reassure the white population as Mr Mandela has done.

The constituency that will ensure his election, or threaten his premiership, is essentially black. And it is a constituency that is becoming more restless as the economic fruits of political

power prove slow to ripen. Trevor Manuel, the finance minister, has this week paid for the unpopular fiscal discipline, failing to secure nomination to the national executive committee. Mr Mbeki's first task as ANC leader is to halt that erosion of confidence in the government and deliver another solid election victory in 16 months.

His smooth assumption of power should ensure external confidence in South Africa's stability. But what he most needed from Mr Mandela was a public blessing for a change in leadership style. "What happened this week was Mr Mandela showing a willingness and continuity."

Many of those groups identified in Mr Mandela's speech have already been attacked by Mr Mbeki. A constant theme of the new

man" described by Mr Mbeki may also turn out to be something of a shock for parts of the ANC. Not only does Mr Mbeki have a reputation for surrounding himself with people who echo his views, but he is also expected to prove less tolerant of dissent lower down in the party. Much though he would like to dispense with Winnie Madikizela-Mandela, the president's former wife, her two standing ovations at the ANC conference this week should ensure her immunity.

More at risk are those who in Mr Mandela's speech were described as using their membership "as a means to advance personal ambitions to attain positions of power and access to resources for their own individual gratification". They, presumably, know who they are.

Those on Mr Mandela's list who were more precisely identified were predictably upset. Tony Leon, leader of the mainly-white Democratic party, said it was the low water mark of the Mandela presidency. The National party, which Mr Botha used

to lead, thought it paranoid and unstatesman-like.

Parts of the press were especially damning. "A speech that ill becomes a man of Mandela's stature and acumen," said the Citizen newspaper. The Mail and Guardian was pained "to witness such a revered figure as Mandela talking such bollocks". Threats and "white-baiting" would not encourage white people to stay and rebuild South Africa, said Business Day.

But why should they leave? Mr Mandela's harsh words were probably little more than a cloud flicking across the face of the sun for many of his intended targets, already crowding the beaches of Cape Town and Durban, well into their mid-summer Christmas break.

By the end of the week Mr Mbeki had also become mildly reassuring. Mr Mandela's speech was a report to conference, he explained. "It was not intended to result in a programme of action."

But equally it would be silly for whites to ignore this week. What they were told was that in 1994 was entering another phase. They are not yet under siege. But Mafikeng offered little relief.

## A lack of prudence

Christopher Brown-Humes on why a venerable British institution has come under savage attack from regulators

**C**ompanies do not come any more vulnerable than the Prudential, the UK's biggest life assurer and one of the country's best-known financial institutions. Its 1998 calendar, celebrating 150 years of the company, proudly boasts from the past: "Prudential insures dispel anxiety", and "Prudential Policies for safety".

But these images were unrecognisable this week when the company was subjected to an unprecedented attack by regulators for what they called deep-rooted failings of the Prudential's management, corporate culture and salesforce. This week's attack came on top of earlier rebukes for its handling of pensions misselling, when it – like many UK insurers – sold inappropriate policies to clients.

"The Pru has had one hell of a shock," says John Elbourne, managing director of Prudential Assurance. "This is the worst experience it has had in its history."

The criticisms are serious because Prudential has seen itself as the standard-bearer and standard-setter for the life and pensions industry. Yet this week the Financial Services Authority, the industry watchdog, said the organisation had "displayed a deep-seated and long-standing failure in management". It had "a cultural disposition against compliance". It had "an organisational structure which allowed the cost of its own compliance arrangements to take precedence

over the interests of its investors". And it had made unsuitable sales. No one in the industry could recall a fiercer assault.

Worse, the company had already been castigated by regulators this autumn for proceeding too slowly with its pensions misselling review, including two missed deadlines. It has 70,000 cases to resolve and has set aside a staggering \$250m (£748m) for compensation.

Was there a thread linking these failings? Mr Elbourne, a relative newcomer to the company, says: "The common strand is the complacency and arrogance that we didn't have a problem."

Critics say such attitudes

soured dealings with regulators and filtered through the organisation's culture. "The Prudential's attitude has been: 'We are the largest insurance company and we can do what we bloody well like,'" says Gary Heath, head of the independent Financial Advisors Association.

Not surprisingly, the Prudential's reputation has been damaged by the recent bad publicity. "Being seen to be fair and playing straight is an important part of a company's armoury," says a senior executive of one UK insurer.

Damage to the Prudential's reputation may be precisely what the regulators were seeking since they have no powers to fine.

The City, however, has reacted calmly to the company's misfortunes, partly

because a reprimand had been expected and partly because it believes the company is working to correct its failings. Management changes have been made and systems and compliance upgraded. All its 5,000 sales personnel have been retrained, and Sir Peter Davis, the company's avuncular chief executive, has taken direct charge of Prudential Assurance.

Besides, sales by Prudential Assurance account for only half the group's total UK sales – the rest are through independent financial advisers – and only a quarter of global sales. The group's big operations in the US and Asia are unlikely to be hit by its difficulties in the UK.

One rival believes Prudential has been too distracted by its broader strategic ambitions, leading to insufficient attention to the "nit-tightness".

Executive at rivals

are not gloating. They believe the episode damages their industry when it is already tarnished by the pensions misselling scandal and accusations that it delivers expensive and inflexible products. "The episode calls into question the industry's determination to clean up its act," says one.

The lasting damage from the affair could be that it hurts the industry just when it was hoping to profit from opportunities created by new savings schemes and moves to bolster private sector pension provision.

At the Prudential, rebuilding morale will not be easy. Hundreds of its sales staff have left recently and management has been distracted. "People are pretty devastated," admits Mr Elbourne.

But there has been one piece of good news for the Prudential. It has finally hit one of its pensions misselling deadlines. If it gets a few more such fillips, the 150th anniversary celebrations might go with a modicum of swing after all.

**A**sk any leading restaurateur in London, Paris, New York or San Francisco when it is easiest to get a table at their fashionable restaurants and the answer will be the same. "Call at 8.30pm, 10 minutes before you want to arrive."

Given that most restaurants have never been busier, this seems like odd advice. Odder still when you think that the smallest and most sought-after establishments, such as the 14-table Michelin-starred Aubergine in London's SW10 district, are fully booked four months in advance.

The answer to the riddle is that restaurants are suffering from an unprecedented epidemic of no-shows. Would-be diners book – and often even call to reconfirm – but then simply do not turn up. By 8.30pm restaurateurs will know whether, yet again, they have been left with egg on their face and no one at their tables.

The no-show practice is not just damaging restaurants' takings and profits but also their reputation, says Jeremy King, proprietor of London's Ivy and Le Caprice. "What I fear is that customers leave having seen tables unoccupied and believe our business is not as good as it actually is."

On one recent night The River Café in London had 22 no-shows while Bibendum said it had 18 no-arrivals. At Bibendum, San Francisco, 60 customers failed to appear one Saturday night while at Kensington Place, west London, 50 did not show up. At Mezzo, which receives up to 2,500 calls a day, no-shows run at £1,500 a month, a loss of £245,000.

Even three-star Michelin restaurants are not exempt. David Loewi, operations director of Couran Restaurants, sceptically comments that "we frequently hear of a death in the family". The most forgivable excuse, according to Larry Stone of Eubicon, came from a couple on their wedding day who got carried away when they went to their hotel room to change for dinner.

Twenty years ago a customer's name and the size of the party was quite enough. But during the 1980s, when restaurant-going became popular – as did the no-show phenomenon – receptionists began to ask for a telephone number. This allowed them to call for reconfirmation on the day and to query no-shows afterwards.

Since then the problem has snowballed. The most widely heard excuse for a non-appearance is still "my secretary forgot to cancel".

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London restaurateurs are increasingly wary of reservations made through hotel doormen, while their Parisian counterparts view bookings from American tourists with some scepticism. Some parties meet up for an early evening drink

having made several different reservations and only decide at the last minute which one to honour.

Many restaurants now ask for a deposit when a table is booked and charge a cancellation fee. At Mezzo, parties over six will be charged £10 per person if they do not arrive or cancel before noon on the day. At the Union Square Café a similar policy has reduced no-shows from up to a quarter of bookings to almost zero.

Some restaurateurs are playing it tougher still.



## COMMODITIES AND AGRICULTURE

# Palladium falls out of favour

## MARKETS REPORT

## By Susanna Voyle

The price of palladium fell to a five-month low yesterday after a bout of selling.

At the afternoon "fix" in London the precious metal was at \$181 a troy ounce, the lowest price since July 18. It had been fixed at \$187 in the morning and at \$190 on Thursday afternoon. The price rose slightly in late afternoon trading, with the metal last quoted at \$184.50.

Dealers said the fall was exaggerated by thin trade and a lack of buyers. "There was some quite aggressive selling on the fix. I would guess it is the Russians fulfilling export quotas before the year-end," said one. "Nobody really wants to buy it now."

Palladium is essential for some components of portable electronic equipment such as mobile phones and laptop computers, as well as for catalytic converters that remove pollutants from car exhausts.

Earlier this year the price of palladium rose to an 18-year high of \$245 after Russia, which produces 70 per cent of the world's supply, stopped exporting the metal for six months.

Gold fell after its rise in price on Thursday. It was fixed at \$289.90 a troy ounce, against \$289.20 in the morning and \$290 on Thursday afternoon. However, within 20 minutes of the 3pm fix the metal had dropped further to \$287.25. Dealers put the falls down to year-end related selling.

**WEEKLY PRICE CHANGES**

	Latest prices	Change on week ago	Year ago	1997 low	1997 high
Gold per troy oz.	\$289.45	+0.40	\$309.15	\$369.85	\$280.65
Silver per troy oz.	\$47.80	+0.05	\$48.00	\$50.00	\$47.00
Aluminum 99.7% (troy)	\$151.50	+0.50	\$150.72	\$179.75	\$141.00
Copper Grade A (troy)	\$174.95	+0.45	\$173.00	\$200.50	\$172.00
Lead (troy)	\$54.30	+0.22	\$57.05	\$72.50	\$51.00
Nickel (troy)	\$58.80	-0.25	\$60.50	\$62.50	\$58.25
Zinc SHG (troy)	\$111.95	+0.50	\$108.75	\$176.00	\$104.00
Tin (troy)	\$32.00	+0.05	\$31.50	\$35.00	\$30.00
Cobalt Futures Dec	\$10.67	+0.43	\$10.50	\$11.00	\$10.00
Coffee Futures Jan	\$16.80	+0.125	\$16.90	\$24.70	\$12.20
Sugar (LDP Raw)	\$275.60	+0.80	\$265.10	\$311.00	\$263.00
Barley Futures Jan	\$74.60	-0.80	\$74.00	\$98.50	\$74.25
Wheat Futures Jan	\$81.50	-0.25	\$75.75	\$102.00	\$75.50
Cotton Outlook A Index	\$73.85	-1.05	\$76.55	\$92.25	\$73.25
Wool (4s Super)	\$39.20	-	\$40.20	\$44.00	\$38.70
Oil (Brent)	\$17.82	-0.015	\$20.01	\$24.95	\$16.85

Per troy ounce unless otherwise stated. \$ per troy ounce. Cents b. x Jan.

## WORLD BOND PRICES

## Treasuries surge as stock tumble

## GOVERNMENT BONDS

## By John Labate in New York

and Penelope Clayton in London

US TREASURIES surged in morning trading as the stock market plunged more than 260 points, mainly on Asian worries and talk of a 1998 bear market, before rebounding somewhat by midday. The 30-year Treasury bond had gained 11 at 103.8 by

early afternoon, sending the yield lower at 5.888 per cent.

The 10-year note was 11 higher at 103.3, yielding 5.694 per cent, while the two-year note rose 11 at 101,000, 5.623 per cent. The Federal Funds rate was at 5.50 per cent.

"Today has been dominated by the stock market action," said Ken Fan, US government bond strategist at Paribas Capital Markets. "The five and 10-year notes

are the best performers, which is a bit of a surprise."

Next week some \$1bn will be auctioned by the Treasury. Japanese investors were rumoured to be sellers of Treasury bills, adding pressure on those issues.

European bond markets got a boost from "flight to quality" turbulence in equity markets and the strength of the US dollar but in relatively quiet trading.

UK GILTS followed bonds higher, with the March contract settling at 121.1, up 1%, while the spread over 10-year bonds narrowed a point to 110 basis points.

## US INTEREST RATES

Treasury Bills and Bond Yields					
	One month	Two months	Three months	One year	10-year
Prime rate	8.4%	8.4%	8.5%	8.5%	8.5%
Bank rate	7.4%	7.4%	7.5%	7.5%	7.5%
Facilities rate	6.2%	6.2%	6.3%	6.3%	6.3%

## BOND FUTURES AND OPTIONS

NOTIONAL FRENCH BOND FUTURES (MATIF) FF500,000					
Open	Sett price	Change	High	Low	Est. vol. Open Int.
Mar 101.50	+0.24	101.95	101.44	100.90	8,100 137,070
Jun 100.80	+0.24	100.80	100.80	100.80	2,125 125,000
Sep 100.68	+0.24	100.68	100.68	100.68	2 100,000

NOTIONAL FRENCH BOND OPTIONS (MATIF) FF500,000					
Open	Sett price	Change	High	Low	Est. vol. Open Int.
Mar 104.82	+0.28	105.05	104.80	104.00	100,000 236,787
Jun 104.41	+0.27	104.41	104.41	104.41	0 109,000
Sep 104.00	+0.27	104.00	104.00	104.00	0 100,000

NOTIONAL GERMAN BUND FUTURES (LIFFE) DM250,000 100ths of 100%					
Open	Sett price	Change	High	Low	Est. vol. Open Int.
Mar 104.82	+0.28	105.05	104.80	104.00	100,000 197,904
Jun 104.41	+0.27	104.41	104.41	104.41	0 109,000
Sep 104.00	+0.27	104.00	104.00	104.00	0 100,000

NOTIONAL ITALIAN GOVT. BOND (BTB) FUTURES LIFFE Lira 200m 100ths of 100%					
Open	Sett price	Change	High	Low	Est. vol. Open Int.
Mar 116.00	+0.42	116.17	115.26	115.00	100,000 116,000
Jun 115.60	+0.42	115.60	115.60	115.60	0 100,000
Sep 115.20	+0.42	115.20	115.20	115.20	0 100,000

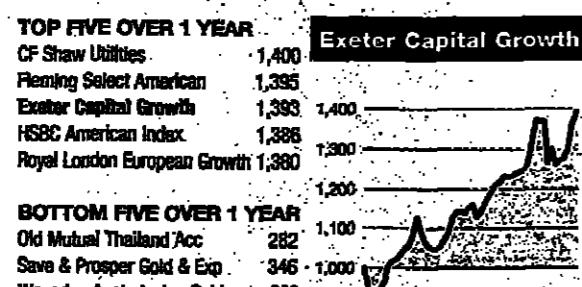
NOTIONAL SPANISH BOND FUTURES (LIFFE) ES 200m 100ths of 100%					
Open	Sett price	Change	High	Low	Est. vol. Open Int.
Mar 115.60	+0.42	115.60	115.60	115.60	0 100,000
Jun 115.20	+0.42	115.20	115.20	115.20	0 100,000
Sep 115.20	+0.42	115.20	115.20	115.20	0 100,000

NOTIONAL SWEDISH B
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## UNIT TRUSTS

### WINNERS AND LOSERS



Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance. Warning: past performance is not a guide to future performance.

Indices									
Average Unit Trust	1,093	1,358	1,758	3,025	3.5	2.5			
Average Investment Trust	1,195	1,373	2,098	3,410	4.6	5.0			
Bank	1,098	1,114	1,169	1,807	0.0	5.5			
Building Society	1,095	1,117	1,202	1,806	0.0	5.3			
Stockmarket FTSE All-Shares	1,227	1,786	2,738	3,948	2.6	3.2			
Inflation	1,097	1,058	1,145	1,645	0.3	0.3			
■ UK Growth									
Flaming Select UK Income	1,367	1,946	2,408	3,399	2.5	3.0			
Britannia UK General Inc	1,212	1,788	1,932	2,818	2.8	2.8			
Perpetual Income	1,235	1,793	2,462	3,790	2.8	2.6			
HSBC Foote Fund	1,318	1,788	-	-	3.0	2.1			
Lazard UK Income & Growth	1,211	1,788	2,089	3,283	2.6	3.1			
SECTOR AVERAGE	1,168	1,612	1,919	3,077	2.8	2.5			
■ UK Smaller Companies									
Gartmore UK Smaller Companies	1,207	2,058	2,850	3.3	0.4				
Laurence Kean Smaller Cos	1,094	1,924	-	-	3.0	1.5			
AES Smaller Companies	1,073	1,874	2,414	-	2.9	1.1			
Britannia Smaller Co's Acc	1,110	1,867	2,808	3,429	2.9	0.4			
Schroder Smaller Companies Inc	1,078	1,808	2,472	2,903	2.9	0.7			
SECTOR AVERAGE	1,029	1,422	2,069	2,932	2.8	1.6			
■ UK Equity Income									
Jupiter Income	1,199	2,021	3,029	4,960	2.2	4.0			
Lazard UK Income	1,212	1,830	2,288	3,934	2.4	4.1			
BWD UK Equity Income	1,238	1,802	2,459	3,152	2.3	3.4			
Britannia High Yield Inc	1,211	1,778	2,298	3,870	2.4	3.6			
Metropolitan UK Income	1,250	1,768	2,100	4,119	2.6	4.0			
SECTOR AVERAGE	1,192	1,577	1,996	3,044	2.4	4.3			
■ UK Equity & Bond Income									
HSBC High Income	1,223	1,656	-	-	2.0	5.7			
Edinburgh High Distribution	1,219	1,617	1,994	2,423	2.4	3.7			
CIS UK Income	1,251	1,613	1,951	-	2.4	3.7			
Prolific Extra Income	1,158	1,611	1,984	2,926	2.4	4.1			
Abbey National Extra Income	1,199	1,568	2,234	3,503	2.0	4.8			
SECTOR AVERAGE	1,153	1,439	1,819	2,549	2.1	5.2			
■ UK Equity & Bond Income									
Flaming General	1,464	2,149	2,448	-3	3.8	2.1			
Mercury Keystone	1,299	1,940	2,936	-1	3.9	2.6			
Edinburgh UK Tracker	1,248	1,757	2,049	1	3.8	3.3			
Gowt Strategic	1,147	1,701	2,022	13	3.5	2.6			
Albany	1,211	1,631	1,989	18	2.7	3.8			
SECTOR AVERAGE	1,114	1,524	1,819	-	3.8	2.0			
■ UK Capital Growth									
Schroder UK Growth	1,168	1,734	-	3	3.8	3.0			
Kierpoint 2nd Endowment Policy	1,141	1,684	-	-	3.3	3.3			
Hony & Sims ISIS	1,176	1,651	-	-	22	4.4			
Undervalued Assets	1,068	1,626	-	-	12	3.7	2.1		
Kierpoint Endowment Policy	1,069	1,532	1,605	-4	2.9				
SECTOR AVERAGE	1,114	1,524	1,819	-	3.8	2.0			
■ Smaller Companies									
INVESTCO English & Int'l	1,060	1,995	6,821	2	4.3	0.9			
Henderson Strata	1,101	1,848	3,065	-3	4.3	0.1			
Gartmore Smaller Companies	1,074	1,740	2,774	11	4.3	2.3			
NatWest Smaller Companies	1,098	1,619	2,572	10	5.1	2.5			
Herald	1,013	1,583	-	-	18	5.8	0.7		
SECTOR AVERAGE	1,041	1,343	2,156	-	4.1	2.5			
■ UK Income Growth									
City of London	1,416	1,808	2,254	-2	3.2	3.5			
Invesco Capital Units	1,292	1,659	1,859	11	3.6	4.2			
Temple Bar	1,283	1,643	2,160	10	3.9	4.4			
Dundee Income Growth	1,361	1,835	1,986	11	4.2	4.2			
Prolific Income	1,073	1,602	-	-	9	-			
SECTOR AVERAGE	1,241	1,548	2,044	-	3.3	5.2			
■ Venture and Devt Cap									
Foreign & Col Enterprise	1,508	2,716	4,522	3	3.6	1.7			
Candover	1,311	2,370	3,613	-6	4.4	2.6			
Kleinwort Development Fund	1,146	2,054	3,108	20	3.3	4.9			
Dundee Enterprise	1,221	1,980	3,203	10	3.4	4.2			
Thompson Clive	1,107	1,945	3,184	19	5.4	1.4			
SECTOR AVERAGE	1,110	1,604	2,591	-	4.3	3.0			
■ Int Income Growth									
Securities Trust of Scotland	1,249	1,589	1,903	12	3.5	4.3			
British Assets Ordinary	1,226	1,511	1,529	15	3.4	3.6			
Murray International	1,138	1,475	1,948	7	3.9	3.8			
SECTOR AVERAGE	1,249	1,525	1,793	-	3.6	4.8			
■ WINNERS AND LOSERS									
■ TOP FIVE OVER 1 YEAR									
Exeter Capital Growth	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
■ TOP FIVE OVER 3 YEARS									
Old Mutual Thailand	2,548	2,548	2,548	2,548	2,548	2,548	2,548	2,548	2,548
Johnson Fry Sister Growth	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332
Hill Samuel US Smaller Cos	2,268	2,268	2,268	2,268	2,268	2,268	2,268	2,268	2,268
Framlington Health	2,223								

## Authorised Investment Funds

• FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (44 171) 873 4378 for more details.

AUTHORISED  
INVESTMENT  
FUNDS -Unit Trusts and OEICs  
(Open-ended Investment  
Companies).

All data subject to change.

Source: REUTERS (Tel: 01625 51712)

Data as at 12.12.97

## **FT MANAGED FUNDS SERVICE**

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## **MANAGEMENT SERVICES**

- **NOTES**
  - Gross: Contractual rate of interest payable, not taking account of the deduction of basic rate income tax.
  - Net: Rate of interest payable after allowing for deduction of basic rate income tax.
  - Gross CARE: Gross rate annualized to take account of compounding of interest paid other than once a year. "Compounded Annual Rate", i.e. the effective rate at which interest is accrued.

# **FT MANAGED FUNDS SERVICE**

## Offshore Funds and Insurances

• FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

B&H Asset Management Ltd									
15 Potterside, London W1G 0SE									
Incorporated Nov 25 19									
Bank Van Esch & Cie AG									
Hausstrasse 50, 3001 Bern, Switzerland									
15 Potterside, London W1G 0SE									
B&H American Equity									
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LONDON STOCK EXCHANGE

UK stocks slide after losses in Japan and US

MARKET REPORT

By Steve Thompson,  
UK Stock Market Editor

More bad news from the Far East demolished any chance that UK shares could build on their impressive performance earlier in the week.

The bankruptcy of one of Japan's leading food and commodities trading companies, Toshoku, was a reminder of the continuing weakness of far eastern markets and the ever-growing list of bank and broking company failures in the region.

And there was more trouble for London with the Dow taking a further big hit at the start of trading yesterday. The Dow

fell 6.7 per cent, coming in the wake of a poor performance by Wall Street on Thursday set the scene for a dismal showing by London's equity market, along with most other European bourses.

The Dow Jones Industrial Average sustained a three-figure fall overnight, with investors fretting about the potential impact on US corporate earnings of the continuing weakness of far eastern markets and the ever-growing list of bank and broking company failures in the region.

And there was more trouble for London with the Dow taking a further big hit at the start of trading yesterday. The Dow

retreated nearly 270 points not long after the opening bell.

At the close of a turbulent session, the FTSE 100 index was left nursing a 148.1, or 2.9 per cent, decline at 5,221.2, wiping out the big gains recorded at the beginning of the week. The Footsie's decline was the second biggest in points terms for five years.

The second-liners were also

roughly handled, with the FTSE 250 index finishing 30.7 off at 4,705.1 and the FTSE Smallcap 6.6 lower at 2,295.1.

London also had to cope with the first "double witching" – simultaneous expiries of the FTSE 100 future and FTSE 100 index options – since the October

retirement of electronic order driven trading.

The twin expiries and the far eastern worries produced plenty of volatility, but no panic selling according to dealers. On the contrary the big falls in share prices saw institutions take advantage of the market's weakness to pick up "cheap" stock dealers said.

There was also a measure of underpinning for the market from the 1998 FTSE 100 forecasts coming into the market, which generally range from around 5,000 to 6,100.

The absence of any of the much-rumoured takeovers in the financial sectors was another factor behind the scale of the market's retreat. Banks featured prominently among the worst individual performers in the FTSE 100, notably Bank of Scotland, Standard Chartered, Abbey National and NatWest.

Commenting on the day's events, the head trader at one leading investment bank said the Far East remained the core problem.

"Until the Far East thing sorts itself out, there will be many more days like today. There are too many skeletons falling out of too many cupboards and they are weakening the resolve of the institutions."

Turnover in equities reached 876m shares.

TRADING VOLUME IN MAJOR STOCKS

	Vol.	Close Day's price/price change	Vol.	Close Day's price/price change
FTSE 100	5,221.2	-2.9	10,300	730 -115
FTSE 250	4,705.1	-3.0	7,200	1,050 -150
ASX Group	4,705.1	-3.0	5,200	1,050 -150
ASX Smallcap	2,295.1	-6.6	1,000	1,015 +15
FTSE 350	2,295.1	-6.6	1,000	1,015 +15
FTSE 350 ex IT	2,295.1	-6.6	1,000	1,015 +15
FTSE All-Shares	2,296.16	-2.25	2,293.11	2,294.62
FTSE All-Shares ex IT	2,296.16	-2.25	2,293.11	2,297.07
FTSE 350 Higher Yield	2,296.16	-2.25	2,293.11	2,297.07
FTSE Smallcap	2,296.16	-2.25	2,293.11	2,297.07
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FTSE All-Shares	2,296.16	-2.25	2,293.11	2,297.07
FTSE All-Shares ex IT	2,296.16	-2.25	2,293.11	2,297.07

Based on trading volumes for a selection of major equities listed through the LSE on Friday and Saturday. All totals are netted. (Includes a FTSE 100 index constituent or reserve. Source: Eikon, part of FTI)

EQUITY FUTURES AND OPTIONS TRADING

	Vol.	Close Day's price/price change	Vol.	Close Day's price/price change
FTSE 100	5,221.2	-2.9	10,300	730 -115
FTSE 250	4,705.1	-3.0	7,200	1,050 -150
ASX Group	4,705.1	-3.0	5,200	1,050 -150
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Based on trading volumes for a selection of major equities listed through the LSE on Friday and Saturday. All totals are netted. (Includes a FTSE 100 index constituent or reserve. Source: Eikon, part of FTI)

FTSE - LEADERS & LAGGARDS

	Vol.	Close Day's price/price change	Vol.	Close Day's price/price change
FTSE 100	5,221.2	-2.9	10,300	730 -115
FTSE 250	4,705.1	-3.0	7,200	1,050 -150
ASX Group	4,705.1	-3.0	5,200	1,050 -150
ASX Smallcap	2,295.1	-6.6	1,000	1,015 +15
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Based on trading volumes for a selection of major equities listed through the LSE on Friday and Saturday. All totals are netted. (Includes a FTSE 100 index constituent or reserve. Source: Eikon, part of FTI)

Clearance boosts Energy

being compared with the 6 per cent at Tesco, which was up 2 at 45p, and of 4.2 per cent at Sainsbury and 3 per cent at Safeway, down 1% to 325p in volume of 11m.

Recent bearish news on the outlook for general retailers saw several marked down, with Kingfisher off 12 at 84p and Storehouse 5 to 20p.

Banks, one of the principal driving forces behind the UK market's recent rise, were behind its decline yesterday.

Energy Group, the nuclear generator, was the best performer in the Footsie for much of the day.

Scottish Power improved 7 to 52p and National Grid rose 10 to 15p.

Optimism about the clearance spilled over to other generators, which are also broadly immune from international turmoil because of their largely domestic earnings.

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Scottish Power improved 7 to 52p and National Grid rose 10 to 15p.





## WORLD STOCK MARKETS

Highs & Lows shown on a 52 week basis

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### Paulo falls steep

## INDICES

	Dec 18	Dec 19	Dec 17	High	1997
					Low
Argentina General(25/12/77)	\$4 21955.98	22297.27	25771.70	22710	18237.37 21
Australia					
All Ordinaries(17/12/93)	2521.1	2531.1	2521.1	2782.20 259	2284.28 2810
ASX Managed(1/1993)	577.0	589.4	571.9	987.10 242	541.10 2711
Austria					
Credit Austria(30/12/84)	96	140.84	143.40	174.42 218	334.48 91
Total Index(2/1991)	1249.97	1258.16	1255.17	1480.00 317	1133.22 91
Belgium					
BEL20(1/1/91)	2454.34	2407.57	2405.79	2821.90 247	1871.05 21
Brunei					
Brunei(25/12/93)	98	985.33	985.43	13617.00 97	985.55 21
Canada					
Mark West(= 1975)	\$4 3761.42	3780.95	3801.26	1023	3684.47 1872
Composite(= 1975)	\$8 6594.90	6625.50	7204.03	7710	5971.00 144
Portfolio(55)	\$8 3347.40	3378.22	3367.98	7710	2848.02 114
Colombia					
IBPA Composite(31/12/90)	\$4 4754.46	4797.15	5000.71	47	4754.46 19/12
Denmark					
Copenhagen(31/12/93)	649.61	656.59	665.18	666.16 17/12	470.14 21
Finland					
HIX General(3/12/90)	3158.57	3246.38	3255.38	3860.02 23/10	2888.38 21
France					
SFZ(25/12/1990)	1840.02	1876.22	1875.64	2003.43 31/7	1533.18 21
CAC 40(31/12/97)	2822.90	2894.50	2892.25	3094.01 31/0	2258.07 21
Germany					
HDI Aktien(1/12/93)	1333.07	1366.47	1361.20	1485.44 31/7	988.21 21
Dax(31/12/93)	3805.60	3933.40	3922.00	4336.70 31/7	2075.00 21
Dax(31/12/95)	4084.75	4165.24	4159.88	4438.00 31/7	2848.27 21
Greece					
Alpha SE(1/12/93)	1491.68	1502.14	1514.65	1794.34 8/10	954.54 21
FTSE-HSE 30(24/8/97)	853.95	851.95	855.84	868.05 10/12	788.08 15/11
Hong Kong					
Hong Kong(31/7/94)	10405.81	10754.11	10622.70	10923.27 7/3	8208.00 26/10
India					
BSE Senset-1979	3540.91	3472.35	3487.02	4541.02 53	3225.24 21
Indonesia					
Jakarta Composite(1/12/92)	378.73	378.38	380.61	740.00 8/7	338.53 15/12
Ireland					
ISEI Overall(4/1/98)	3511.61	3521.89	3522.32	4003.70 9/12	2725.07 21
Italy					
Borsa Com Ital-1972	895.9	1015.62	1017.07	1017.07 17/12	880.02 21
MIB General(2/1/97)	1488.0	1536.0	1523.0	1928.00 17/12	881.00 21
Japan					
Nikkei 225(16/5/94)	15714.89	16161.84	16541.06	20081.07 165	1502.52 14/11
Nikkei 3000(1/10/92)	2346.1	243.54	246.43	303.71 25/7	2287.77 14/11

## US INDICES

\* See Dec 12: Taiwan Weighted Price 8343.89; Korea Comp Ex 3594.5. Base values of all indices are 100 except: Australia All Ord & Mining 2,000; Austria Traded, BEL20, HEP Gen, MIB Gen, BMV30, FTSE/ASE/SE20, S&P250, CAC40, S&P, Euro Top-100, ISEC Over2, Toronto Comp/ Mkt & Min, DAX - all 1000; S&P 1500; JSE Gold - 255.7; JSE 20 Ind - 142.6; IBEX Nas 100 - 1; NYSE All Common - 50; Stand & Poor's 10 and Jones Comp - 55; Merval, +Toronto (ftC), +Montreal, +Toronto (ftC), X-Kex/DA after - 1000; DAX - 19 - 4255.35 - 107.7.



## COMPANIES AND FINANCE

## Société Générale intends to scale down the treasury and derivatives operations Hambros banking side fetches £300m

By George Graham

Société Générale yesterday embarked on its largest acquisition outside France when it bought the banking businesses of the UK's Hambros group for £300m (£455m).

Société Générale plans to move to Hambros' Tower Hill offices and keep the Hambros name, running its private banking and corporate finance businesses as SG Hambros.

"We see value in the name, in the prestige, the history," said Patrick Pagni, head of Société Générale's UK operations.

The French bank also plans to keep some of Hambros' structured finance activities but will scale down treasury and derivatives operations.

Other banks have expressed interest in Hambros' bonds division, a leader in issues in Australian and New Zealand dol-

lars, South African rand and Czech koruna, and Société Générale said it would explore a possible sale.

Philippe Citerne, Société Générale's chief executive, said he was undeterred by the withdrawal of other European banks from parts of the investment banking business. "We started on this business 10 years ago. We are not going to change our mind because such and such a company has decided to stop," he said.

Sir Chips Keswick, Hambros' chairman, will

become a senior banking adviser to Société Générale while remaining the non-executive chairman of the rump of Hambros. "It will basically be a board to oversee an orderly disposal of Hambros plc's assets outside the bank," he said, adding that yesterday was a sad day for him.

The price is subject to a reduction of up to £20m if net asset value, £282.6m at September 30, falls below £270m at completion. The

price, a 6 per cent premium to net asset value, surprised many analysts and investors, who have complained about Hambros' poor performance over recent years.

Jim Mellon of Regent Pacific acknowledged the price was about £50m more than he had expected. Peter Butler of Hermes Investment Management, another shareholder, said Sir Chips had done well to sell the bank, which was at the heart of Hambros' problems.

## Thomson buys Swedish group for £260m

By Scheherazade Daneshku, Leisure Industries Correspondent

Thomson, the UK's largest package holiday company, yesterday made its first leap overseas with the SKr3.5bn (£260m) acquisition of a Swedish tour operating group.

Paul Brett, chairman and chief executive of Thomson, said the purchase of Stockhol-based Fritidsresor was part of its strategy of building an international business. It would give Thomson "a significant presence in the Nordic markets".

Thomson, which is owned by Thomson Corporation, the Toronto-based publishing group, formed an international division in September. It aimed initially to target the Scandinavian market where Airtours, the UK's second largest tour operator, is dominant through its 1994 purchase of the Scandinavian Leisure Group.

Mr Brett said Thomson had no plans to acquire another Nordic operator but would continue to examine markets across Europe.

Thomson is believed to wish to reduce its dependence on the sometimes volatile

UK holiday market. The acquisition heralds a period of increased competition between Thomson and Airtours outside their core UK market.

Fritidsresor is the second largest tour operator in the Nordic market with a 27 per cent share. It has operations in Sweden, Norway, Denmark and Finland and this year carried 1.3m passengers overseas, mainly to the Mediterranean and the Canary Islands.

It owns Blue Scandinavia, a charter airline which operates five leased Boeing 757s. The company also operates 26 hotels.

Fritidsresor is being sold by Electra Fleming and Nordic Capital and K+S, a Nordic-based food retailing co-operative. The venture capital groups invested in the company in 1988 when it was lossmaking. It is expected to make operating profits of SKr1.70m on turnover of SKr1.5bn this year.

Airtours carries 1.8m passengers from Scandinavia and has 5.3m overall. The Fritidsresor acquisition will add to Thomson's 4.6m holidaymakers, giving it a total of just under 6m a year.

## Manders agrees \$165m takeover

By Richard Wolfe, Midlands Correspondent

More than 200 years of British chemicals history came to an end yesterday as Manders agreed to a £100m (\$165m) takeover by Flint.

Founded in 1773 by brothers Benjamin and John Mander, the Wolverhampton-based company yesterday admitted it could no longer compete with its larger international rivals.

The shares rose sharply by 93p to 245p yesterday, as investors representing 35 per cent of Manders' shares agreed to accept the cash offer of 250p. The shares have steadily fallen during the last two years from more than 300p to a low of about 130p this summer, as the company suffered from fierce price competition and the strong pound.

Mr Amos, chairman said the company had struggled to grow sufficiently after

selling its paints and property interests four years ago.

"We decided to specialise in becoming an international printing inks player and grew sales from £40m to £160m. But our growth opportunities were restricted, and we have been under intense pressure from Japanese competitors in the last 18 months.

"There has been consolidation going on for several years in the ink industry. Flint are the second largest ink company in the US, and have been very keen to acquire us and move into Europe. Strategically, it is a great price for us."

Flint, which is privately owned by the Flint family in Detroit, reported sales of \$700m (£424m) last year, compared to Manders' turnover of £162.5m. Manders' pre-tax profits fell sharply last year from £11.6m to £5.5m, as the company cut 10 per cent of its workforce.

## Watmoughs disputes small print

By Andrew Davis

Watmoughs yesterday went on the attack against Quebecor Printing, accusing its Canadian adversary of "cavalier and misinformed comments" in its £18m hostile bid.

The UK printer, which on Thursday published its first defence document in response to Quebecor's cash bid, added yesterday: "Watmoughs now wants to get the facts straight."

It rejected the assertion that it printed none of the top 10 UK weekly consumer magazines. Quebecor made this claim on Thursday, citing internal information and British Rates and Data, published this month.

But Watmoughs countered this, with "industry recognised ABC audit circulation data" showing that Watmoughs' Spanish operation printed *Bello!* – one of only two titles showing growth among the UK top 10.

"Quebecor's 'knee-jerk'



Patrick Walker: hit out at Quebecor's 'knee-jerk' reaction

reaction to our defence document shows yet again a remarkable lack of understanding of the UK market,"

said Patrick Walker, Watmoughs' chief executive.

"Quebecor is shifting its

ground to criticise our lack

## BTP sells Mydrin to Total

By Enrica Terazona

BTP, the speciality chemicals maker, is to sell its adhesives and textile coatings division to Total of France for £86m (£142m) cash.

The UK group has been seeking a buyer for Mydrin, the adhesives and textile coatings business, since October in order to focus on higher value-added

speciality and fine chemicals.

Steve Hannan, chief executive, said the group would use the proceeds for further acquisitions in the fine chemicals area.

BTP said the sale would produce no exceptional gain or loss but would reduce net debt, which had risen to about £290m following the £23m purchase of Yorkshire

Group in October, to about £10m.

Mydrin is a leading manufacturer of industrial adhesives used in the paper and packaging, construction, footwear and electronics industries. It also produces flame retardant textile coatings. In the year to March 31 operating profits were £2.4m on turnover of £107.4m.

Total will integrate

Mydrin into its Bostik subsidiary. It has also agreed to sell Mydrin's German operations to National Starch and Chemical, a subsidiary of Imperial Chemical Industries.

HSBC James Capel has maintained its pre-tax profit forecast of £253m (£242m) for the current year, giving earnings per share of 22.1p.

## UDO agrees Grupo Picking bid

By Andrew Davis

UDO, the UK reprographics and office supplies group, has agreed a £66m (£76.5m) cash bid from Grupo Picking Pack.

The Spanish company

aims to marry UDO's strength in industrial reprographics with its own retail reprographics and office supplies business, with more than 200 outlets in Spain.

Reprographics made up two-thirds of UDO's £58.3m

turnover in the year to July 31, up from £53m. Pre-tax profits slipped from £6.55m to £6.15m.

Directors of UDO and their associates, and Schroder Investment Management, between them representing

20 per cent of the equity, have undertaken to accept the offer. UDO is advised by Credit Lyonnais Laing and GGP by SBC Warburg.

Group is offering 200p a share cash, with a loan note alternative.

## ICI agrees \$110m methylamines sale

By Chris Gresner

Imperial Chemical Industries has agreed to sell its methylamines business for £67m (\$110m) cash to Air Products of the US.

The UK group expects to make an exceptional gain of at least £30m on the disposal. The products manufactured in the business are used as chemical intermediates.

## PaciCorp bid supported

By Simon Holberton

Margaret Beckett, trade and industry secretary, yesterday cleared the way for PaciCorp, the US electric utility, to rebid for Energy Group, the Anglo-American energy company.

Her decision was seen by industry analysts as opening the way to further mergers in the sector next year, pending the trade department's review of utility regulation expected at the end of January or early February.

In August Mrs Beckett

halted PaciCorp's agreed £3.65bn cash bid with a referral to the Monopolies and Mergers Commission, citing concerns about the ability of UK authorities to regulate Eastern Electricity, Energy Group's East Anglian electricity distribu-

tor and one of its main

inquiry into the effects of PaciCorp's acquisition of Peabody Coal, Energy Group's principal US asset.

Industry analysts were divided over how much more PaciCorp should pay if it decided to rebid. In July it offered \$90p a share.

Many noted that the electricity sector had risen by more than 10 per cent since PaciCorp bid. They said this implied a takeout price for Energy Group of about 720p to 730p.

Against this others noted that the business environment surrounding Energy Group had deteriorated, casting doubt over the future profitability of its UK operations.

PaciCorp's bid lapsed on referral to the MMC. The company indicated it would wait to rebid until after the US Federal Trade Commission had concluded its

decision not to block PaciCorp's takeover of Energy Group leaves only one hurdle to be cleared – the review of regulation – before corporate financiers can sharpen their pencils and start to plot the rationalisation of the UK electricity industry.

To date, little more than the ownership of the industry has changed. Even if, as expected, PaciCorp renews its bid for Energy Group, there will be little structural change outside the acquisition last year by Eastern Group. Energy Group's UK arm, of 6,000MW of generating equipment from National Power and PowerGen.

But consolidation is not unknown in the electricity industry. When the Attie government nationalised the power industry throughout Britain in 1947 it brought into public ownership some 560 private and municipal undertakings. By the time the Conservatives privatised the industry more than 30 years later those 560 entities had been recast into 12 regional supply companies (recs), the National Grid, two

fossil fuel generators, and two integrated Scottish companies.

Industry analysts expect next year to herald corporate moves to rationalise the industry still further, in particular horizontal mergers putting two recs together, and attempts by the big generators, especially PowerGen, to acquire a rec.

Stephen Littlechild, electricity regulator, has always agreed with the proposition that there is "nothing magic about the number 12" when it comes to the recs. But he has also insisted that the first merger between two recs would be referred to the Monopolies and Mergers Commission.

As his evidence to the MMC makes clear, Professor Littlechild believes the sooner the rec licence is separated into its constituents – supply and distribution – the better.

The MMC said Professor Littlechild "thought there was a strong case for amending

the legislation so as to provide for the separate licensing of distribution and supply.

This would, among other things, permit separate ownership of distribution and supply business; and the possibility of mergers of supply businesses without merging distribution businesses. He said that there was great interest in such possibilities on the part of [recs].

London Electricity talked to Northern Electricity about such a merger before the latter was taken over by CalEnergy. More recently, London has reportedly had similar talks with Seaboard.

Only Southern Electric retains its independence. It is one of the best managers of distribution assets in the

sector and may be unsettled by Prof Littlechild's reference to supply mergers taking place "without merging distribution".

But the consensus among corporate financiers yesterday was that distribution mergers would be permitted. "Somewhere between 12 and one there is an optimal number," said one merchant banker.

All the indications from government are that licence separation will form part of the trade department's utilities regulation review.

The MMC indicated that issues such as the minority listing of shares of recs taken private might best be considered in the green paper. If that is the worst the review produces then investors have little to worry about.

Prudence, however, would suggest waiting until the full details of the review are known. It is just possible, given the government's view that utilities have a social as well as commercial role, that changes foreshadowed in the review might alter the value of companies in the sector.

The electricity industry is expecting mergers among the recs, writes Simon Holberton

Braced for a jolt of rationalisation

### FIDELITY ORIENT FUND

Société d'Investissement à Capital Variable  
Kansallis House, Place de l'Étoile  
B.P. 2174 - L-1021 Luxembourg  
RCB 1906

#### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of Fidelity Orient Fund, a Société d'Investissement à Capital Variable, will be held at the registered office of the Fund, Kansallis House, Place de l'Étoile, Luxembourg, at 11.00 a.m. on December 30, 1997, specifically, but without limitation, for the following purpose:

1. Presentation of the Report of the Board of Directors.  
2. Presentation of the Report of the Auditor.  
3. Approval of the balance sheet and income statement for the fiscal year ended August 31, 1997.  
4. Discharge of the Board of Directors and the Auditor.  
5. Election of six (6) Directors, specifically the re-election of Messrs. Edward C. Johnson III, Barry R.J. Bateman, Charles A. Clegg, Charles A. French, Jean Hamon and H. van den Noever, being all of the present Directors.  
6. Election of one (1) Auditor.  
7. Consideration of such other business as may properly come before the Meeting.

Approval of items 1 through 7 of agenda will require the affirmative vote of a majority of the shares present or represented at the Meeting with no minimum number of shares present or represented in order for a quorum to be present.

Subject to the limitations imposed by the Articles of Incorporation of the Fund with regard to ownership of shares which constitute in the aggregate more than three percent (3%) of the outstanding shares, each share is entitled to one vote. A Shareholder may act at any Meeting by proxy.

Dated: November 21, 1997  
By order of the Board of Directors

**Fidelity Investments**

RESULTS

	Turnover (£m)	Pre-tax profit (£m)	EPS (p)	Current payment (p)	Date of payment	Dividends corresponding dividend	Total for year	Total last year




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# Thomson buy Swedish group for £260m

By Tim Burt in Stockholm

Shares in Skandinaviska Enskilda Banken fell almost 10 per cent yesterday after the Swedish lender issued a profits warning and said its SKr1.65bn (\$2.16bn) merger with insurer Trygg-Hansa would involve larger than expected restructuring charges.

SE-Banken's most commonly traded A shares closed down SKr5 to SKr34, following a trading statement which blamed a disappointing bond trading performance for a lacklustre

fourth quarter. The bank, which saw operating profits fall from SKr1.37bn to SKr1.06bn in the first nine months of the year, said dealing income failed to match 1996 levels and would hold back its full-year figures.

This, and sharply reduced earnings this year, exacerbated the shortfall. In the first nine months of the year, weaker trading profits prompted a 74 per cent drop in SE-Banken's results from net financial transactions to SKr62m.

Overheads have risen 12

per cent since the end of the third quarter - mainly because of increased personnel costs and expenditure on computer equipment.

SE-Banken said these

would lead to higher restructuring charges, in addition to the SKr85m figure published in October when the bank first announced its merger with Trygg-Hansa.

Since the bank's proprietary trading will not reach the same levels as in 1996, income will be lower and cost development is still unsatisfactory," it said.

When the two groups unveiled their merger, Jacob Wallenberg, chief executive of SE-Banken, said the enlarged business would realise synergy gains of

SKr775m a year by 2000.

Mr Wallenberg, who yesterday became chairman of the bank, highlighted cross-

selling of financial products and reducing administrative overlap as areas likely to generate most savings.

Some analysts suggested

the profits warning and increased restructuring reflected a more bearish approach by Lars Thunel,

the Trygg-Hansa chief executive, who succeeded Mr Wallenberg as chief executive of the enlarged group yesterday. "He probably wants to repeat the Trygg-Hansa turnaround at SE-Banken. That could involve some very tough choices," said one London-based analyst.

SE-Banken, meanwhile, said it would initiate compulsory purchase of any outstanding shares in Trygg-Hansa. It has already

offered 97.3 per cent of Trygg-Hansa's share capital and 97.8 per cent of the voting rights.

## Wal-Mart comes shopping in Europe

The legendary Sam Walton and his son, Bud, opened the first Wal-Mart Discount City store in Rogers, Arkansas, in 1962. In the 35 years since, the mighty Wal-Mart Stores has conquered the US with its cut-price goods, becoming by far the country's biggest retailer.

Now, it is Europe's turn. This week Wal-Mart took its first step into the European retail market by buying the Werteufel hypermarket company from Germany's Mann family for an undisclosed sum.

In itself, the acquisition is not that large: Werteufel has only 21 stores and its sales last year were about \$1.4bn, a flea-bit next to Wal-Mart's \$105bn. But Wal-Mart left no doubt that it regarded the acquisition as just the start of its European expansion.

"When we enter new markets, our first priority is to learn more about the customers, introduce Wal-Mart concepts and philosophy, and prove ourselves," said Bob Marin, chief executive of Wal-Mart's international division. "When we serve our customers and exceed their expectations, growth in the business will follow."

At the last count, Wal-Mart had 1,904 out-of-town discount stores in the US and another 436 Supercenters selling groceries as well as general merchandise. Its success in the US is attributable to many factors, but high on the list is a corpo-



In-store delight: a wide range of stock, low prices and superior customer service

rate culture that places heavy emphasis on something that should be every retailer's top priority: customer service.

Employees in the stores are bound by the so-called "ten-foot rule" that requires them to approach any customers who come within 10ft, look them in the eye, welcome them with a smile, and ask them what they can do to help. Shoppers are met and greeted on entering a store, and when they ask where to find certain goods, employees are required to escort them all the way to the right place instead of pointing or telling them.

Wal-Mart is also highly regarded for its advanced retail technology which

enables it to have the right quantities of goods in the right place at the right time while keeping costly inventories to the minimum.

Yet retailing notoriously travels badly. Retailers that develop a successful concept in their home market usually find they need to adjust the formula to suit local conditions overseas: yet in doing so, they risk undermining whatever it was that made them successful in the first place.

Previous US ventures into Europe have a mixed record. McDonald's and Toys "R" Us may be growing, but Woolworth sold its UK stores, Sears Roebuck pulled out of Spain, J.C. Penney sold its Sainsbury stores in Belgium, and Safeway sold its UK supermarkets.

If Wal-Mart's European venture is to succeed, then it will have to overcome the obstacles that have discouraged other US retailers: much higher costs for real estate, labour and distribution than in the US, plus tastes that differ widely from one country to another.

Small numbers of stores in Argentina, Brazil, Indonesia and China.

Wal-Mart's key challenge is to secure critical mass so it can offer attractive prices as soon as possible," says Mr Jones.

"If they can combine that with their skills in systems and their skills in merchandising, then they will differentiate themselves very distinctly."

Richard Tomkins

### FT/S&P ACTUARIES WORLD INDICES

The FT/S&P Actuaries World Indices are owned by FTSE International Limited, Goldman, Sachs & Co. and Standard & Poor's. The Indices are compiled by FTSE International and Standard & Poor's in conjunction with the Faculty of Actuaries and the Institute of Actuaries. NetWest Securities Ltd. was a co-founder of the Indices.

#### NATIONAL AND REGIONAL MARKETS

Figures in parentheses show number of lines of stock

	US	Days	THURSDAY DECEMBER 18 1997			WEDNESDAY DECEMBER 17 1997			— DOLLAR INDEX —						
			Round	Local	Local	US	Round	Local	Local	US	DM				
			Index	Index	Index	Index	Index	Index	Index	Index	Index				
Australia (24)	188.21	0.0	178.98	180.85	182.65	200.24	0.3	198.13	178.44	182.50	200.15	245.97	211.10		
Austria (23)	229.87	-0.1	188.59	181.42	171.94	171.94	0.0	193	188.59	171.47	150.25	171.99	215.14	188.23	
Belgium (27)	229.87	-0.2	231.84	210.73	234.16	0.1	2.94	260.11	224.27	203.31	226.60	234.45	261.11	222.71	
Brazil (30)	221.20	-3.4	197.49	179.51	203.84	457.70	-3.4	1.98	226.99	202.62	184.21	210.92	222.44	184.94	187.67
Canada (27)	210.42	-0.7	187.88	179.76	183.90	210.70	-0.5	1.82	211.93	190.81	170.54	185.22	216.20	223.66	183.29
Denmark (32)	437.51	-0.9	390.97	355.38	403.54	402.22	-0.9	1.27	441.65	397.98	335.55	407.00	405.75	441.85	338.44
Finland (21)	278.15	-1.1	248.33	225.72	255.81	312.00	-1.1	2.01	281.00	255.45	250.55	281.55	284.00	254.90	250.33
France (64)	411.77	-0.1	387.50	375.45	377.55	417.55	-0.5	2.55	425.00	395.00	389.50	417.75	426.00	424.00	204.33
Germany (59)	229.35	-0.1	204.76	188.12	211.34	211.34	0.1	1.39	220.00	203.34	194.35	211.08	211.08	182.03	194.36
Hong Kong, China (82)	354.29	0.8	316.51	287.52	325.47	352.47	0.8	4.53	351.49	316.57	282.82	322.77	349.85	360.03	344.46
Indonesia (27)	88.52	10.4	59.39	53.99	61.30	210.98	2.9	3.19	60.28	54.23	48.50	55.52	60.28	52.01	224.63
Ireland (16)	395.76	0.1	353.34	321.17	384.69	385.66	0.5	0.58	395.22	355.98	318.02	384.05	381.74	347.58	319.99
Italy (58)	115.06	-0.2	102.73	93.38	106.03	146.53	0.3	1.63	114.85	103.44	92.42	105.79	149.07	104.57	81.55
Japan (42)	89.25	-0.2	88.12	81.02	91.46	80.52	-0.2	1.01	90.12	81.02	81.02	81.02	91.45	81.02	81.02
Malaysia (107)	170.78	-1.0	154.24	140.98	152.81	-1.1	2.37	170.78	154.24	140.98	152.81	157.19	157.19	150.01	
Mexico (27)	172.70	-1.0	154.24	140.98	152.81	-1.1	1.59	174.75	157.04	140.25	160.97	174.75	160.97	155.01	
Netherlands (19)	412.97	-1.4	388.71	335.14	380.55	375.84	-1.3	2.23	416.65	377.08	336.84	385.84	381.55	440.57	318.17
New Zealand (14)	77.77	1.6	69.43	63.11	71.57	70.45	1.4	4.38	76.58	68.95	61.60	70.52	68.45	96.47	91.77
Norway (38)	317.58	-0.8	283.53	257.72	292.84	312.18	-0.8	1.95	320.40	285.57	257.92	295.13	314.58	374.54	277.33
Philippines (22)	78.29	5.3	69.90	63.54	72.15	154.70	3.0	1.36	75.78	65.98	60.98	68.81	150.18	214.07	74.95
Singapore (43)	267.15	-0.1	250.67	218.94	254.26	265.90	0.1	2.27	272.05	255.28	250.90	267.01	270.00	257.00	250.95
South Africa (39)	274.99	-0.4	245.51	222.16	253.40	512.04	-0.3	2.03	275.04	242.52	214.98	245.98	265.67	270.12	205.37
Spain (39)	476.95	-0.1	425.82	387.06	439.50	548.10	-0.8	1.89	481.84	433.98	387.73	443.84	522.27	533.94	405.00
Sweden (46)	337.04	0.0	300.91	273.52	310.58	300.12	0.0	1.32	337.11	303.82	310.58	300.12	337.11	321.68	238.47
Switzerland (31)	22.63	8.6	20.20	18.96	20.85	36.57	4.1	2.27	20.83	18.76	16				



# COMPANIES FT MARKETS

Weekend December 20/December 21 1997



## JCI chief steps down in wake of revoked deal

Board not consulted on Southern purchase

By Mark Ashurst  
In Johannesburg

Mr Khumalo yesterday stepped down as executive chairman of JCI, the South African mining house, in the latest setback to his project to use the embattled group as a vehicle for black economic empowerment.

JCI yesterday described Mr Khumalo's resignation as a "temporary" measure, although analysts were divided over the prospects of him again taking up the reins of the once mighty mining house. Earlier this month he resumed merger talks with Lonrho, the UK conglomerate. His departure was intended to avoid "a potential dispute" between JCI and Southern Mining Corporation, a Johannesburg-listed mining junior which counts Mr Khumalo among its directors. The company plans to develop titanium deposits in South Africa's Free State province.

JCI last month acquired 20

per cent of Southern Mining for R252m (\$61.50m) - a price many analysts believed to be over-generous. Mr Khumalo, who holds share options in Southern Mining, did not consult the JCI board over the transaction. The purchase was later revoked by the JCI board, raising the prospect of legal action by Southern Mining against JCI or its chairman.

Although Mr Khumalo will stay at JCI as non-executive chairman, the market yesterday reacted positively to news that he would give up his executive role. JCI shares gained R2 to close at R23.

The former political detainee acquired a controlling stake in JCI from Anglo American, South Africa's biggest company, in November 1996.

The deal gave birth to the country's first black-owned mining house. In spite of the rich symbolism of his takeover - Mr Khumalo previously spent 12 years incarcerated with Nelson Mandela, now South Africa's president, on

Robben Island, the notorious jail for political prisoners - black aspirations have been wrecked by the collapse of the gold price.

The current share price remains substantially below the R34.50 per share Mr Khumalo paid for control of JCI. The institutions that backed his bid have incurred heavy losses, some of which will be carried by the pension funds of black trade union members.

His resignation comes less than a month after Mr Khumalo parted company with Brett Kebble, his white business partner and a prominent advocate of gold. Mr Kebble chose to bail out of JCI after its best gold assets were sold back to Anglo.

In exchange, JCI has acquired Anglo's 27 per cent stake in Lonrho - a move which analysts expect will result in a cash takeover of JCI by the UK group. Previous merger talks broke down in June.

## Bayer pulls out of talks on controversial Taiwan plant

By Laura Tyson in Taipei and Graham Bowley in Frankfurt

Bayer, the German chemicals concern, yesterday suspended talks on a controversial project to build a \$1.5bn petrochemical plant in Taiwan and said it would set in motion plans to move the project to Texas.

Its decision was made after strong local protests in central Taichung county where the plant was to be located. It prompted concern from the Taiwanese government, worried about the impact of turning investment away when the rest of Asia is struggling to attract foreign capital.

The case is seen as an important test of Taiwan's investment climate, which has worsened in recent years in line with rising environmental concerns and the growing clout of opposition parties. Wang Chi-

kang, economics minister, warned parliament that Bayer's pull-out would send a strong negative signal to potential investors.

The plan, proposed about five years ago, became bogged down by environmental protests and local politics. In spite of passing all environmental reviews, the project faced barricades and local leaders of Taiwan's main opposition party, which threatened to put the project to a referendum.

Bayer became frustrated by the Taiwanese government's delay in approving the plant. The decision is a blow to the company's plans in Asia.

Bayer had wanted to use the large plant, its first in Taiwan, as the hub for its Asian polyurethane business. The plant was to produce TDI (toluene di-isocyanate), an intermediate

chemical product used in synthetic leather.

Bayer said it could still go ahead with its plans if the government ended the delays. "It is now up to the Taiwan government. We have not slammed the door shut," the company said.

Horst Muck, chairman of Bayer Taiwan, said: "Suspension means suspension but doesn't mean cancellation."

Bayer executives had said the plant would be safer and cleaner than any Bayer TDI plant in the world. The company has spent more than \$10m over the past three years on environmental evaluation and other research for the project.

Bayer did not rule out building a plant at an alternative site in Asia even if it went ahead with construction in the US.

See Lex

## Eurotunnel secures operating licence extension

By Andrew Jack in Paris and Charles Graesser

Eurotunnel resolved the last of its many problems yesterday when it extracted a concession from the UK and French governments to extend its operating licence from 2002 to 2006. In return, it will hand over 40 per cent of its after-tax profits to the two governments from 2002 onwards.

Separately, Eurotunnel also concluded a long-running dispute with TMI, its rolling-stock supplier.

The licence extension was announced as part of a wider agreement between the UK and French governments on rail freight. UK calls for more liberalisation of the French rail network, such as the creation of special freight train corridors, had been the subject of tough negotiations.

But yesterday, John Prescott, the UK deputy prime minister, claimed the log-jam had been broken. "We've got rid of the obstacles preventing the development of rail freight traffic. It's a good step forward," he said.

News of Eurotunnel's licence extension will be greeted with delight by the company's army of French small shareholders. The prospect of such a deal played a big part in winning their backing for the company's financial restructuring this year.

Patrick Ponsolle, Eurotunnel's chairman, said last night: "I am rather satisfied that we have turned the page this year on a certain number of events. But I am well aware that our commercial success still needs to be developed so we can meet the promises in our prospectus."

Eurotunnel had hoped it would have to part with only 25 per cent of its post-tax profits. The company said yesterday that Eurotunnel shareholders would now get 60 per cent of the value of 34 years which they didn't have before.

See Lex

## THE LEX COLUMN

## Yearning for earnings

The recent, gravity-defying rally in global equity markets appears to have ended. And not before time. It was less than two months ago, of course, that they peered into the abyss. But instead of plunging, they drew a breath and raced back to within spitting distance of record highs reached earlier this year. Against a backdrop of widespread financial turmoil in Asia, including the world's second largest economy, Japan, this always looked hugely complacent. But a ready rationalisation was available: collapsing Asian demand would slow global growth, cap bond yields and support equity

shares.

shareholders will be pleased to have

some cash, do they want to hang on to shares in the insurer and in Hambros' Countrywide, the estate agency? Selling these companies would be the quickest way to realise value. While the sums presented yesterday implied a post-disposal value for the group of more than \$250m, against a market value of about \$600m, there is clearly some downside risk.

For Société Générale's part, it was good to hear the French group describe the deal as opportunistic. It eschewed grand talk of becoming a global investment bank or of building a pan-European empire. It simply wants to beef up its presence in London. While it was coy about job cuts yesterday, it will need to hock into Hambros' cost base to achieve a decent return.

### Nike

Is Nike no longer cool? Its shares

certainly are not. The sportswear group, a stock market star for much of the 1990s, has underperformed the S&P 500 by over 70 per cent this year. Even Reebok, its smaller and more fragile rival, has not done quite as badly. The two companies have blamed their recent profit warnings on Asia, and with some justification since the Far East has been an important source of growth in recent years.

More significant, however, are the sudden problems in the US, which still accounts for over half of sales at both. Some slowing was inevitable.

Nike's torrid growth, based on winning market share and ramping up prices in a fundamentally static athletic footwear market, was always going to plateau. But few investors expected footwear sales and orders to start declining, as they did last quarter. That probably reflects resistance to this spring's sharp price increases. Many of Nike's shoes sell for well over \$100 a pair, while competitors such as Converse and Adidas have launched ranges at \$50 to \$100. But the real worry would be if Nike was ever to lose its touch with the notoriously fickle teenagers who set the trends in the sportswear market.

Nike will bounce back. It has a strong balance sheet, a great brand and is branching out into new market segments like golf and soccer. But with no big new product launches until early 1999, and plenty of unwanted stock to unload until then, its comeback will take time.

### Eurotunnel

That cash will change hands in return for an extension to Eurotunnel's concession to operate the Channel Tunnel is a relief. After all, public assets should not be given away for free. Ideally, Eurotunnel would have made an upfront payment to both governments. But a pernicious weak balance sheet always made this unlikely. Sensibly, the British and French governments - which yesterday agreed to extend Eurotunnel's concession by 34 years until 2066 - have opted for a tough revenue-sharing arrangement. The cost of the extension to Eurotunnel is equivalent to around 40 per cent of post-tax profits - will have minimal impact on the value of the cash-strapped company. Such is the effect of discounting over very long timeframes - in this case

Eurotunnel's revenue will be stopped the rot in the share price, not much value has been added.

For the bank, a tiny premium to net asset value - assuming no cut in the \$200m (\$455m) price - is all right, but no better. The BZW business that sold for less than its book value did not have a private bank jewel in the crown, nor a valuable freehold office. While Hambros'

### Companies in this issue

Aeroflot 2

Prudential 7

FTSE 100

5,028.2

(+142.1)

Yield

3.25

(+24.78)

FTSE Eurotop 300

960.00

(-24.78)

FTSE All-Share

2,981.28

(-2.59)

FTSE 100 Index

15,144.89

(+44.78)

New York Stock Exchange

23

S & P Composite

942.89

(-12.61)

S & P Composite

104.1

(+0.41)

FTSE LONDON MONEY

23

3-mo Interbank

7.1%

(+0.16)

Life long gilt

Mar12/13

Mar12/23

FTSE ROME GIL

10.72

(-0.72)

FTSE ROME G

10.62

(-0.72)

FTSE ROME G

10.62

(-0.72)

### Markets Latest

FTSE 100 5,028.2

Yield 3.25

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(-0.72)

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### FT WEATHER GUIDE</h3





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Joe Rogaly

## Time for religions to merge or bust

The welfare state is receding. Charitable giving is in decline. The selfish gene is uppermost

**C**hristianity is a mature enterprise. It has survived for nearly 2,000 years. The question is, will it last out the next century? If it does not, it could be because it has allowed itself to be broken up into rival institutions.

The lesson is clear. It must merge or bust. The same might be said of all organised religions, including Judaism, which could count itself as the most venerable of the lot, and relatively new-comers like Islam.

In Britain, the prospects are discouraging. Asked whether they professed adherence to a religion, 43 per cent of respondents to the most recent Social and Community Planning Research questionnaire said no. The equivalent figure in 1983 was 31 per cent. Age differences are even more disconcerting. Young people – 18 to 24-year-

olds – are overwhelmingly detached from formal houses of prayer. Only a quarter of over-55s may be described as non-parishioners. Against that, more than three-quarters of the population confesses to a degree of disbelief in God or some form of supreme being.

The trends are similar in many other European countries, with the predictable exception of Italy. Even in the US, where Christianity predominates, the number of people who say they have no religion has risen sharply during the past quarter of a century. Everywhere, it seems, willingness to attend services is less strong than the natural human desire for faith, certainty, rules of behaviour.

We all know why. The value of formal worship in public buildings is being blasted out of people's minds. The cult of the

individual marches in triumph across the globe in lock-step behind science and capitalism. Not air, you may say, but think about it. The extended family is disintegrating. People are less likely to live close to one another in coherent sub-tribal groups.

The welfare state is receding. Personal advancement is our driving motive. Enterprise, competition, self-reliance, are the ruling precepts. Charitable giving is in decline. The selfish gene is uppermost. Pirates rule.

Science tells us that our biological make-up mirrors the sort of society we are creating. We are puppets of our DNA, connected to one another by digitised communications, electronic strings. The pattern repeats itself. To the survival of the fittest we have added the comfort of the fattest.

Liberal economists, sorcerers

every one, promote marketisation of everything in sight, adding to the sense of isolation that lurks within so many of us. Wealth-creation is an amoral pursuit. It is what is done with the wealth that matters. The population of billionaires is growing. Not all of them are gen-erous to the poverty-stricken.

Only a belief in the spiritual self can soften the effect of this counter-human revolution. Alas, the defenders of the spirit are divided, squabbling among themselves, sulking in their tents all over the place. Lacking cohesion, their strength, once irresistible, is draining away.

In such a situation any prudent undertaking will try to restructure itself. The great religions must be amalgamated. A series of takeovers is required. The break-up of Christianity should be reversed. The Church

of Rome should join hands with that of Constantinople. The rest – Episcopalians, Methodists, Baptists, Seventh-day Adventists – should be coaxed in.

True believers in God, the soul, a hereafter, would be wise to go further. A new planetary religious confederation, the spirit of ecumenical endeavour, could match the globalisation of material wealth-creation.

Churches would sit alongside synagogues, mosques, temples. The great faith systems of China and Japan would meet those originating in the Middle East and India.

Some will protest that none of this is to be taken seriously. Let us see where that would lead.

We might say that the language

of amalgamation is suited to the market stall, not the altar. In the improbable event of mergers

resulting in a single world

temple, a new name would be required. Diogenes sounds good.

Alas, it has already been adopted for secular purposes by the Guinness/Grand Metropolitan group. We could call in consultants to suggest another marque, advisers to draft a mission statement.

If marketing experts were true to their trade they would serve the opposition. Unshackled capitalistic could rally behind a Darwin banner, garnished with a logo of dogs in a circle, the tails

of one in the teeth of another. This is where the growth opportunities are to be found. If you think the markets have been running wild, out of control, this year, duck. Next year they will be rampant; the year following, positively unruly.

Do not misunderstand me. There is no shadow of Marx

looking over my shoulder. He

was no crusader for the role of religion. Anyhow, I know the surface on which our bread is buttered. The liberal market

economy is the worst way we have of organising our affairs. But allied to the disassembling skills of science, it could destroy the conception of a supernatural self that distinguishes us from other animals.

That is why we need ways of rescuing religion. We are not governed by organisation charts, economic systems, technical and scientific discoveries. Our generally shared set of beliefs determines our behaviour. Capitalist predators can be good Christians, Jews, Hindus... So can politicians, civil servants, the whitecoats who rule our laboratories. We all need some form of religion. Without it, we shall be reconstituted as androids.

### Lunch with the FT

## Swimming through the net with the queen of cyberspace

Esther Dyson peers into the future with Michael Thompson-Noel

**W**erdiness is in the eye of the beholder, which explains, quite probably, why most journalists strive to portray America's Esther Dyson as more than a little weird.

I did not find her so. At most, I found her odd, as in oddly energetic (she rises at 4.30am, and has a workrate and schedule you would not believe), or even oddly attractive.

She is small, companionless, waifish and windswept, and displays no great regard for the efficacies of make-up or the thrill of expensive clothes. Usually, she wears cheap-looking jeans and sneakers, as she did for lunch with me.

Yet journalists cannot resist portraying Dyson as exotic-going-on-peculiar, probably because she is seen as the doyenne of cyberspace. Dyson is regarded as one of the world's most perceptive computer theorists and intellectuals. She doesn't write software. Nothing so mundane.

Instead, she ponders how computers will change our lives, and how the cyber-age will affect governments, societies, democracy and capitalism. Everywhere she goes, she is touted as a powerful and influential cyber-visionary. As a result, few journalists can resist calling her "Queen Neterati" – queen of the internet.

One of her goals, she says, is to communicate her sense of the richness and potential of the net. By "net", she means both the formal internet, all the other dawning networks and intranets, and all the people, cultures and communities that will live in, or on, the net, as if it were a home. The net, she maintains, offers all of us an opportunity to take charge of our lives and redefine our role as citizens.

The net, Dyson reckons, will profoundly change human institutions, but not human nature. "The net has no independent existence," she says. "It matters because people use it as a place to communicate, conduct business and share ideas, not as a mystical entity in itself... It will suck power away from central governments, mass media and big business."

"This digital world is a new terrain that can be a source of untold productivity – or a medium for terrorists, con artists and untrammelled lies and viciousness."

The net gives awesome power to individuals. But, with greater ability to exercise our rights, or abuse them, all of us will need to assume greater responsibility for our actions and for the world we are creating.

A lot of us, says Dyson, are worried about governments spying on us. To which her tart response is: "Spy back!" We must use the net to fight for more open government, she says.

"What are governments doing with all the informa-

tion they collect? Who is looking at it? Who are they talking to? Why aren't they talking to us?" She sympathises with official concerns about large-scale crime rings and terrorists operating in the cyber-shadows. "But I am also concerned about large-scale governments operating in the shadows."

Dyson is never still. She seldom spends more than three nights in one place. One journalist said she lived a monkish existence – or, rather, given that she has clocked 6m airline miles, the life of a flying nun.

I met Queen Neterati in the main restaurant at London's Landmark Hotel, on Marylebone Road, and imme-

diately found her charming – intense, certainly, with a brightly throbbing pulsar; but also, concurrently, not so intense, as demonstrated by the ease with which she handled my transparently aggressive questioning.

"Do you really swim for an hour every day?" I asked, wondering why she wasn't all wrinkled.

"Sure," she said. "I swim every day. Every time I'm in London I stay at this hotel because it's got a great pool. It opens at 6am. Normally, I swim earlier. I get up at 4.30am. I'm a member of the Downtown Athletic Club in New York, and swim there; a member of an athletic club in Moscow; a swimmer; a member of a club in Silicon Valley; a swimmer there. I really like swimming."

"So what time do you get to bed?"

"In New York, at 9pm."

"Me too," I said, "except I don't get up till 6.30am, and I certainly don't swim."

Queen Neterati studied me with interest. Finally, she relaxed and smiled. She rubbed shoulders with so many of the world's most powerful politicians, technology investors, and company owners, from Microsoft's Bill Gates down, that I saw she had concluded I was harmless.

I started to explain what lunch with the FT meant – writer chooses guest, guest chooses restaurant – but she cut me short. "I'm familiar with the concept," she said.

"Concept?"

"Yes, I'm an FT subscriber."

"I guess you're rich."

"By most people's standards I'm rich, if not by the FT's." You would be surprised how many rich people say that, though I suspect Queen Neterati is a lot wealthier than she looks.

"Are you hungry?" I asked. "Whether you are or

not, I'll have whatever you have. I'll follow you, to fit in with your schedule."

She had already shown me her schedule: page after page of single-spaced print-out. She had just flown in from Kiev. After London, she was travelling to New York, where she has an office, then Moscow. "You're in here somewhere," she said, flicking through the print-out, and there, indeed, was I.

Queen Neterati asked the waiter to bring us lobster and langoustine broth, ravioli and, eccentrically, fresh raspberries, because the notion of fresh raspberries had just entered her head. Fresh raspberries were not on the menu, but they found some somewhere.

Esther Dyson was reared in a hot-house. She was born on Bastille day, 1951, in Zurich, the daughter of Freeman Dyson, the famous astrophysicist and science writer, and of mathematician Vera Huber-Dyson.

The child grew up in Princeton, New Jersey. H-bomb architect Edward Teller was a family friend, as were numerous Nobel Prize winners. One of her childhood toys was the remains of one of the first computers.

At the age of 16 she went to Harvard, where she collected a degree in economics. Then she spent three years as a Forbes fact-checker and reporter, before becoming a Wall Street securities analyst, studying the computer and software businesses.

Dyson may be renowned as a cyber-prophet. However, what I liked most about her was the impression I gained that, in Queen Neterati's universe, there will always be fresh raspberries for those who have the wit to ask for them.

She is president and owner of EDventure Holdings, which focuses on emerging information technology worldwide and publishes Release 1.0, an insider's

book – *Release 2.0: A Design for Living in the Digital Age* – she maintains that the net is handing us the responsibility to govern ourselves, think for ourselves, educate our children, do business honestly and work with each other to design the rules by which we want to live.

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## PERSPECTIVES

## Truth of the Matter

## Is morality only for the masses?

Some in power do not recognise wrongdoing, says Hugh Dickinson

Do they actually believe that what they were doing was not really wrong? That's the haunting question so often raised by the public exposure of wrongdoing in high places. The business tycoon secretly propelling up his company's shares; the politicians accepting cash for questions in Parliament; the cabinet minister lying about his association with Arab arms dealers, and even willing to involve his wife and daughter in perjury as well - they are all pictures of outraged innocence when charged with immoral behaviour.

We see no public tears in front of the cameras, no admission of failure or hint of shame. No one ever loses face. They do things differently in Japan.

It can't be a case of pathological amnesia - like that of a lawyer I once knew who genuinely believed himself innocent of the act of indecent exposure with which he was charged. The evidence was incontrovertible. He did it. Frequently. But one half

of his mind simply erased the event from the other. In my study, he wept with the outrage of the injustice of it; if I hadn't known the facts, I might easily have been persuaded.

"He's such a good boy," says the mother of the cabinet minister. His friends - and he has many, it seems - all speak up for his decency.

So can it be that the rich and powerful think that the normal conventions of personal integrity simply don't apply when matters of state or great sums of money are at stake? That there is a respectable moral trade-off to be done between arms deals, with their huge commissions, and the benefits of employment and pros-

perity which will accrue in north-east England if a deal is struck?

Moral theologians speak of "creative compromise" and offer case histories which demonstrate that a priggish sticking to the letter of the moral law can result in much worse outcomes than those gained by a certain moral flexibility. There is bound to be a moral give and take in the grey world of daily dealings.

A case in point was the lad I knew in a car factory paint shop who found that he could only keep the job if he went along with a minor racket in which the rest of the team were profitably involved. He was recently married, his wife expecting a baby,

the rent on their two rooms had to be paid. He agonised over it for hours with me.

Do the rich and powerful agonise? Or is it possible that in some places moral consciousness gets bent? From time to time the planet Mercury passes behind the sun. Because of the glare of the sun it's only possible to watch it happen if there is a total eclipse. Einstein predicted that the planet would nevertheless still be visible even though physically behind the sun. The next total eclipse proved him right. The huge gravitational field of the sun distorts the fabric of space itself and bends the light from the planet.

Immense wealth seems to have

the same effect; it distorts the fabric of human relationships and creates an oddly distorted world - at least to those viewing it from without. A politician's prevarication over a bill at the Ritz or willingness to ask a loaded question in Parliament after being put on a corporate payroll - the amounts are the tiniest of financial asteroids orbiting an immense financial globe. But it serves to demonstrate the existence and effects of a dark body, a vast mass of wealth and power tugging at the integrity of all the human beings in its force field.

To those within the field of force all seems straight and natural. The laws which govern the

movements of lesser bodies on the fringes just don't apply to them. "It's only the little people who pay taxes." They are genuinely surprised to be charged with arrogance and corruption.

Of course, there are many corrupt poor people and honest rich ones. But there is a distinctive kind of distortion of reality around great wealth - I can remember trying to counsel a middle-aged couple who had won the pools. After the first euphoria, they soon became deeply depressed. "We have lost our old friends and our new friends look at us with *disgust* in their eyes."

It's not easy to have a levelling and truthful relationship with the very rich. They are always

on their guard. Perhaps they have levelling and candid conversations with each other? I wonder. How can I go on holiday with people who expect to spend 25 per cent of my annual stipend on a single jaunt - £1,000 for a couple of nights at the Ritz will keep me for a month. If they offer to treat me, how can I level with them with all that gratitude sloshing around?

Far more worrying to my mind is the deficit of sensibility or, classically, the "alienated consciousness" of the rich and powerful. Unless they have lived it, or at least worked alongside it, they seldom have any real empathy for the grit and pain of the lives of the vast majority of their unwealthy and disempowered fellow citizens. With that human myopia goes the fatal scorn for the honourable codes of moral behaviour of most ordinary folk, who are, thank God, generally good. They sense that the moral fabric is woven entire and seamless. Pull out one thread and the whole will slowly unravel.

Paul Erdman

## The Year Zero

From Page 1

sonnel carrier. Grössenwahn had used that vehicle to smash his way through the barbed wire and traverse the no-man's-land into Finland. Somehow he had made it to London, where he managed to convince Siegmund Warburg to hire him, claiming that he had been a victim of the Nazis and the Communists, and now returned to be free at last.

He began an apprenticeship on the trading desk but drifted in and out of countries and companies before surfacing in 1967. At that time he was in Zurich at the Union Bank of Switzerland thanks, in part, to a liaison with the daughter of a director.

In September of that year, he called the shot on the pound sterling and bet everything that the bank would give him on a devaluation. It happened as predicted and so the legend was born, a legend he enhanced in the telling.

His final years in full-time fundangling had been spent at the Hongkong and Nanjing Bank in an office overlooking the Star Ferry terminal. On days of utter boredom, he would ignore market trends and trade a currency every time a ferry docked - the pattern bemused competitors and made him wealthy beyond calculation.

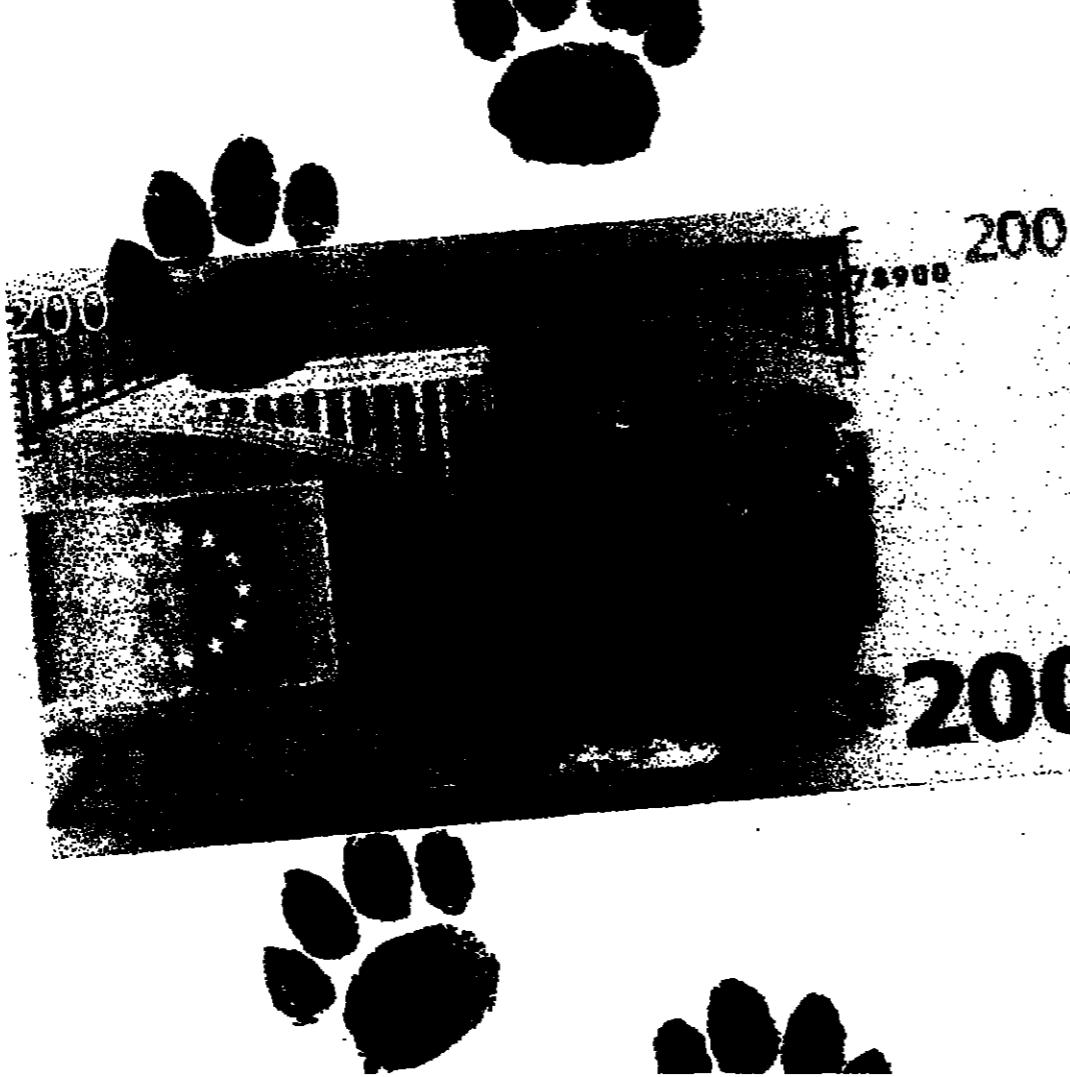
It was in Hong Kong that he attended the meeting of the Association Cambiste Internationale that led to his involvement in the grandest scheme of all. On the final day of the meeting, he was quietly invited to a 10th-floor suite at the Hyatt Regency by Tony Li, a sometime financier and full-time manipulator whom Grössenwahn saw as almost an equal. When he entered the room, the German knew that an extraordinary venture was afoot: these were men from small outfits fanned for big connections. He was prepared to listen.

Gerhardt Grössenwahn could have the job of engineering the greatest financial coup in history - the scuttling of the euro. If successful, he would get a fee of either \$100m or 10 per cent of the net profits. Settlement would be, of course, in a currency of his choosing, and sent by whatever circuitous route he nominated to a tax haven of preference.

The first thing that Grössenwahn wanted to know before he accepted the job was how much financial firepower would be put at his disposal. Tony Li began the answer by stressing that the entire operation, and, most importantly, who was behind it, had to remain secret. But, essentially, the asset backing stopped at the treasuries and central banks of Asia. There would be no written guarantees and no evidence of involvement. The closest Grössenwahn would come to his employers were the men in the Hyatt suite. "See no evil, speak no evil, hear no evil and make a lot of money," Tony Li said, smiling gently at Grössenwahn.

After a moment's thought, he calmly asked: "And how much currency is left in the coffers?" He reminded them that Thailand had failed to reveal that two-thirds of its \$30bn in foreign exchange reserves had been frittered away in forward transactions - so the hard currency cupboard was almost bare when the run on the baht began.

"The International Monet-



Ireland was headed for a fall. It would take three days of hard trading to take out the punt

It was a myth. There would be no single currency until 2002. What would exist in the interim was a hybrid system in which the euro was really nothing more than a book-keeping entry, with each currency supposedly at a fixed rate against each other. But the individual currencies would still exist and be vulnerable to economic shifts and, importantly, to concerted attack.

If you attacked one or more of these currencies, and knocked them out of the fixed exchange grid, you would create such disarray that the very value of the euro would be shattered. January 1 1999 would then go down as one of the greatest non-events in history.

So which currencies were to be blown away? It was a matter of finding a volatile currency. But it was also a

question of stature. To shake the Portuguese escudo from the grid would be significant, but its importance would be lost on currency traders in their early 20s whose knowledge of the country extended to a summer holiday and two weeks of drunkenness in the Algarve.

The ultimate target had to be central to the success of a monetary union and that really meant Germany or France. Brusseled as the German economy was, knocking off the D-Mark was near impossible. The prime target would therefore be the currency of Socialist France.

France had introduced a 35-hour week and the government had not had the stomach for the tough spending cuts needed to put the economy into shape. The franc was over-valued and ready for a fall.

But there must be a fall-guy: a smaller currency, yet one whose difficulties would undermine confidence in Europe and echo loudly in the US. A currency whose demise would let loose the dogs on other vulnerable European economies and do much of Grössenwahn's work for him.

□ □ □

Patrick Flaherty knew that his country's economy was in trouble. The Irish finance minister had put in a bid for a rundown farmhouse half an hour from Galway and it was rejected. He offered the equivalent of \$150,000, but Michael O'Toole, the local estate agent, had told him to go to \$190,000.

"Michael, two years ago, they could not sell this heap of stones for \$80,000. Stop pulling my pint of Guinness." Flaherty's refusal meant he missed out on buying the country home that he had promised his family would take them back to their roots.

The Irish Republic was in the middle of what was politely described as a "boom" when the rest of Europe was still staggering. Bank lending was up by 20

per cent in a year. This was no weak economy, but Ireland was headed for a fall. Flaherty was fond of telling his staff: "Any economy that has any figure rising by more than a single digit is, inevitably, a country in trouble." These were figures that the meticulous Gerhardt Grössenwahn had noticed. He reckoned that it would take three days of hard trading to take out the punt.

The timing was simple. It had to happen in the late autumn of 1998 close enough to the January 1 1999 date to give the abrupt cancellation of that enormously symbolic event its maximum psychological effect on financial markets throughout the west.

Only one unresolved issue remained - that of agents. Which banks would be designated?

Again the necessity for secrecy was paramount. So the number of banks had to be limited to three, he decided. None could be European since that would make "loyalty" an issue. All had to be big - among the biggest - players in the Forex market. And all three had to be motivated.

The obvious first choice was City Bank. It was by far and away the biggest player, it had 1,000 dealers, for heaven's sake. Forex was one of its pet profit centres and it operated on volume, high volume.

Grössenwahn had prepared meticulously. At the Foreign Exchange Dealers' Association, he had encouraged a poll of dealers from 38 countries, asking them to gauge the effect of the introduction of the euro on their activities. Their almost unanimous opinion was that Forex trading volume in the US dollar would decrease dramatically. This was the last thing that City Bank wanted. Who to approach at City Bank? Their chief dealer: Edward Sterling.

The second choice was also easy - the Hongkong and Nanjing Bank. It was a natural for the job. True, Suzy Chang, who had been

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## Feasting and fasting collide

Farhan Bokhari accepts an invitation to hold Christmas day on December 11

oin us for Christmas day," said the invitation, "on December 11. And for our New Year's eve celebrations on December 22." I had to accept.

And so, before I had even started writing my Christmas cards, I donned a festive suit and headed towards an upper class home in the fashionable Clifton district of Karachi for a curious experience in time-shifting.

The reason for such dramatic rearrangement of this year's calendar is a clash between the dates of the Christian new year and Ramadhan.

His indispensable "right-hand man" was no longer there. She had quit the day he had retired. But she was as talented a foreign exchange dealer as any he had ever known - with the exception of himself, of course. Tough as they come. And gorgeous. She would join him for the assault on the euro, and their contacts at the bank would trade when told. "Bamboo" said Suzi.

The final candidate: The Bank of Edo-Mitsukoshi. As the largest single lender to south-east Asia, the bank had been crippled by the financial crisis, and hit again when the Asian flu spread to South Korea. It would not only be ready and willing, but also, as one of the top three foreign exchange banks in the world, be eminently able. Kichi Watanabe, its chief trader, was an old drinking buddy and another man with a complicated, half-bitten-at, past.

Grössenwahn checked out the Brunei connection. He sought a credit line from the Third Bank of Banda Seri Begawan. It was approved within seconds. The next step would be to do the rounds and finalise the arrangements with these banks, starting in Hong Kong, moving on to Tokyo, and ending up in New York.

But from where would he direct this operation? Preferably from a "neutral" place.

London would be his personal choice, but he didn't trust the Labour government and wasn't keen on close surveillance. Switzerland was still neutral, in the foreign currency sense. And Grössenwahn appreciated its passion for secrecy, having taken advantage of it in the past.

He hated Zurich. Geneva was second best. Basle, home of the joint headquarters of United Bank of Switzerland, the world's second largest bank, was better. Conveniently, Basle was also the home of the Bank for International Settlements, the central bank for the central bank. He had a close buddy inside the BIS, and this would be handy. For once battle was begun, it would be the BIS who would be the fall-guy.

But from where would he direct this operation? Preferably from a "neutral" place.

London would be his personal choice, but he didn't trust the Labour government and wasn't keen on close surveillance. Switzerland was still neutral, in the foreign currency sense. And Grössenwahn appreciated its passion for secrecy, having taken advantage of it in the past.

He disliked the concept of the euro. One drunken night he confessed to a still clear-headed Grössenwahn that the "numismatist in me hates the death of these beautiful currencies." Urs would be outside.

The final question: When?

Grössenwahn was an anniversary man. He had timed his past forays to coincide with Greek battles, the Mongolian conquests, and the Spanish civil war. It had to be in early December.

December 7 1941, the attack on Pearl Harbour, a day of infamy, but a day of tactical brilliance, of surprise triumphing over complacency. Grössenwahn would turn history on its head - he intended to win the battle and the war.

Although seldom reported to the police, there have been instances when parties have been broken up amid the terrifying sounds of breaking glass and gunfire as club-wielding gangs attacked guests' cars.

Since Pakistan began an official campaign to "Islamise" itself two decades ago, new year celebrations have been a focal point of some of the deepest divisions between liberal and religious factions.

This year, however, many westernised Muslim families, such as my hosts, have more to contend with

than the threat from activists: their respect for Pakistan's traditions means they face a deeper inner test of faith.

Even though many families do not follow strict religious practices, they avoid celebrations during Ramadan or the Islamic month of mourning known as the *Muharram*, as a mark of respect.

Maleeha Lodhi, editor of The News, an English language newspaper, says: "The kind of partying being questioned by the Islamists will be damped this year. People will be more cautious."

My party hostess was facing exactly these competing pressures - as well as more practical difficulties. She pointed towards the Christmas tree, lined with glitter.

The Islamic calendar, known as the *hijra*, consists of about 355 days divided into 12 months, based on the full moon, therefore moves backwards in relation to the western calendar by about 10 days every year, completing a full cycle every 36 years.

This

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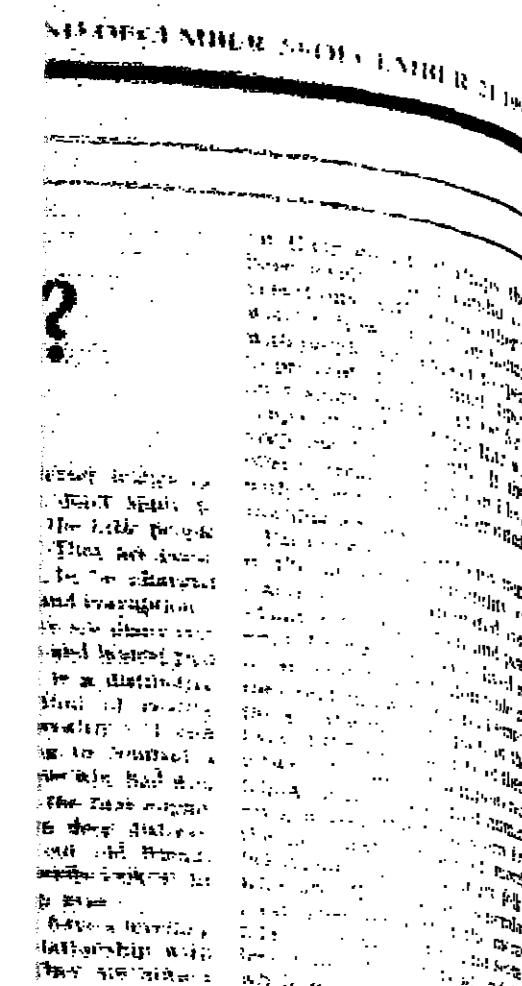
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## Feasting and fasting collide

Arshin Bokhari accepts an invitation to hold Christmas day on December 11

Arshin Bokhari accepts an invitation to hold Christmas day on December 11

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## BOOKS

# A rich hoard for literate lovers of art

David Lee on fine biographies and elegantly erudite criticism

In no other genre can so much get published that is so lacking in flair or downright unreadable, than in literature of art. This year I have had to read a daunting tommage of material that should have been saved the embarrassment of publication. But here I wish to concentrate only on those books that are worthy of any devoted amateur's time.

There are also numerous worthy works I have yet to read, and in this category fall the second volume of John Richardson's monumental biography of Picasso (Jonathan Cape, £30); the detailed account of Hogarth's life and times by Jenny Uglow (Faber, £25), which is already reprinting; and the study of Holbein by Oskar Batschmann and Pascal Greiner (Reaktion Books, £40). Surprisingly, Uglow's book is the only major contribution to Hogarth studies during the tercentenary celebrations.

In a year in which attention has centred on the more bewildering categories of contemporary work, there has been a constant flow of fine biographies. The newly issued paperback of Paul Hayes Tucker's superb *Claude Monet: His Life and Art* (Vale, £18.95) is typical in that extensive new research confidently enables the author to extricate popular myths while reminding us of Monet's quality. Tucker is devoted to his subject, though not starry-eyed, and the combination of Monet's foibles – chiefly meanness and myuthmaking – with his selfless generosity of spirit and action – his promotion of the dead Manet, for example – conveys a real person whose oddities of character ring true.

The thought of reading a biography written by an American academic about an intellectual artist such as Marcel Duchamp is a bit daunting. But mercifully, Calvin Tomkins has not become mired in turgidity (Chatto & Windus, £25). He has made light, informative entertainment of a complex figure without trivialising him. If the pitiful state of contemporary art, with its blanket acceptance of what Duchamp called the "non-retinal", can be blamed on anyone, Duchamp is a prime suspect and, given the current world domination of conceptual art, he could be claimed to be the century's most influential artist. This makes Tomkins' book essential reading.

Andrew Bailey's account of J.M.W. Turner, *Standing in the Sun* (Sinclair Stevenson, £25), uses extensive original research to discover the idiosyncratic personality one always suspected might lurk behind the genius. In the process, Bailey disproves the justification so conveniently trotted out by lambasted nominees for the Turner Prize: namely, that Turner was rub-

bished in his day as well. Sorry, but he wasn't. Even the few who disliked his atmospheric recognise his extraordinary ability – to the extent that Turner had tucked away the equivalent of £1m in property and government stocks by the age of 30.

Fiona MacCarthy's concise account – that is, by her normal doorstopper standards – of Stanley Spencer (Yale, £25) is affectionate, celebratory, edifyingly supported by the little man's weird words. And she doesn't duck criticising the later cash-earning paintings of an artist who, with each passing year, looks more like the greatest British painter of the century. Superb illustrations show a range of style, genre and a totally original imagination which far exceeds the ability and scope of any living British painter.

Two recent paperbacks which would make excellent presents for new students of art are the seventh edition of the *Dictionary of Art and Artists* by Peter and Linda Murray (Penguin, £5.99), and the second edition of the *Concise Dictionary of Art and Artists* (Oxford, £2.99). The former, much expanded since its first publication 20 years ago, is indispensable, and delightful for its subtle diggs and criticisms. For those who like their dictionaries without Johnsonian flourishes, the Oxford has more entries. I use both every day. Another paperback worth mentioning is the revised and updated version of Michael Holroyd's *Augustus John* (Vintage, £2.99). Few books on any artist are better.

The scholarship of drawing is going through a purple patch. It may seem unfashionable in an age in which fame is now apparently allotted in direct proportion to lack of drawing ability, but for those still capable of concentration, who wish to watch an artist going through his paces, three books stood out this year. *Drawings from the Malcolm Collection* (British Museum, £20) catalogues one of the finest collections of Old Master drawings put together in the 19th century, when the best examples were still reasonably inexpensive. The conciseness and lucidity of entries is here exemplary, and the scholars' acknowledged doubts when weighing the pros and cons of attributions allows readers to test their own eyes against those of the experts. *The Drawings of Filippino Lippi and his Circle* (Metropolitan Museum of Art, £55) sounds like arid territory but it is a beautiful book, and for those unaware of the delicacies of the uncorrectable metalpoint technique, it will come as a revelation. In the hands of Botticelli and Filippino, metalpoint reached its apogee. Like all memorable

reference books, this one is not for connoisseurs alone. I also enjoyed enormously the second volume of *Vincent van Gogh's Drawings* (Lund Humphries, £45) which deals with the Nuenen period, 1883/5, when Vincent, having so recently dedicated his life to becoming an artist, learned drawing with the mad, compulsive devotion he had previously reserved for becoming an evangelist. We witness an artist empty of natural flair edging closer to accomplishment by hard labour and dogged study alone. This moving book is the story of an obsession for self-improvement. Incidentally, the paperback version of Vincent's letters (Penguin Classics, £12) was published this year, which, as many readers will already know, allows unrestricted entry to the engine room of an artist's mind. The introduction to each section by Ronald de Leeuw is the most informative and accurate account of this difficult artist in print. The letters may be read alongside *The Complete Paintings of Van Gogh* (Taschen, £30) recently published as one bumper volume at what is a giveaway price.

**T**he *Art Forger's Handbook* (Cassell, £20) was finished by picaresque hoaxter Eric Hebborn just before he was murdered last year in Rome. In his account of drawing materials and papers through the ages (not to mention where to acquire them now), Hebborn records his recipes for cooking up "old" materials while setting the reader visual tests along the way. His accounts of gullible curators make satisfying reading for those who enjoy the spectacle of experts with egg on their faces.

I have left my favourite book this year until last: *Soundings* by Anita Brookner (The Harvill Press, £16.99). For those who know this author only as the writer of exquisitely crafted novels, it may come as a surprise to discover that she is a major authority on French art after 1750. This collection of essays and reviews, some of them approaching 30 years old, present the observations of a scholar at home with and undaunted by her subjects. They are written in prose testifying as much to an affection for words and language as of the art and artists she probes with erudition, wisdom and judgment. It is easy to find oneself rereading these essays immediately, as characters as different as Géricault and Moreau come alive. This book, which is so cheap for so much learning, is the ideal Christmas present for the literate, intelligent art lover. It ought to be made compulsory reading for any would-be writer on art.



A brilliant marriage of art and literature: Girolamo da Cremona's 15th century illuminations for a collection of juridical texts by Francesco Averoldi, one of 228 colour illustrations in "Treasures from the Italian Libraries" edited by Lorenzo Crinelli (Thames and Hudson, £42)

## Voices with that intimate touch

Storytelling on tape is a self-effacing art. Max Wilkinson picks some masterly examples

**A**s lovers, mothers and school teachers all know, the quiet persuasive voice often works better than big decibels or a theatrical tone. So it is with reading aloud.

The best performances

create a spell of intimacy, an

illusion that one is having a

a private conversation with

the author – even when it is

only on tape.

For this reason I have

come to prefer readers of

audio books who modulate

their voices unobtrusively

for different characters and

avoid a whole farmyard of

different sounds. There are

exceptions, of course.

But in the increasing

number of full-length

audio books of perhaps 10

hours or more, readers who

show off their talent for

mimicry can be irritating.

They impose a barrier

between the author and ones

own imagination.

Two competing versions of

Anthony Powell's *Dance to*

*the Music of Time* novels

illustrate the point. In his

full length version of the

first book, *A Question of*

*Upbringing* (Cover to Cover)

Simon Russell Beale uses

two distinct styles, a

straightforward "ordinary"

narration with highly

dramatised voices for the

characters. It is well done,

but made me think the

descriptive bits were rather

boring.

I found out why from

Simon Callow's (abridged)

reading of the same book in

the Hodder Headline series. I

have sometimes thought

Simon Callow too mannered,

but he fits the spirit of these

stories excellently, masking

the characters sound

distinctive, but always

within the compass of a first

person storyteller. By trying

to be Powell rather than his

characters, Callow fully

exploits the book's

intricate ironies. He also

maintains a better pace and

excitement.

An even more masterly

example of a reader "being"

the author is John Rowe reading Proust's semi-autobiographical *Remembrance of Things Past*. The two parts of *Screwtape's Way* (uncl) translated by C.R. Scott Moncrieff will cost you £26.99 each for a total of some 30 hours' listening. It could be money well spent for a Proust devotee, or perhaps for a novitiate who makes long journeys. Rowe has a beguiling voice which can soothe and excite at the same time. He slips easily from the memories of the old man to the trials of boyhood, investing passages of obsessive detail with exactly the right combination of nostalgia and irony. This is addiction of the most delightful kind.

**M**y first choice this season would, however, go to Helena Bonham Carter's beautiful and convincing reading of the revised and updated *Diary of a Young Girl* by Anne Frank. Penguin (uncl). I had only an instant's doubt whether Bonham Carter's English-rose voice would be appropriate for a 13-year-old German/Dutch/Jewish girl in hiding from the Nazis. But she caught Anne's girlish enthusiasm, her passions, her maturity and her courage with wonderful deftness. One quickly falls into the illusion that it is Anne herself speaking from those grim days in 1942/44. This creates a special pathos. But Anne, although she feared the worst, did not yet know her fate. The last part of her diary is a triumphant yielding to love, which this reading captures with feeling and precision.

My second choice, if only as a contrast, would be Alan Bennett giving a deceptively deadpan rendering of his latest short story, *The Clothes They Stood Up In* (BBC). In his idiosyncratic way, Bennett is a consummate performer. His drooping caprice at the

end of a sentence, signifying that some oddity is, well, no more than one would expect, is, of course, exactly what the author intended. This is a kind of mystery tale about a terminally unimaginative solicitor and his wife who return from the opera to find that every last item (including the lavatory paper) has been removed from their flat.

Neither can quite comprehend the bizarre plot into which they have been thrust, nor the infinite void from which all their little routines protect them. Bennett sees it all with cruel accuracy and a kindly heart. This makes him one of the

great chroniclers of human frailty. His speaking voice seems to convey the secret that one may laugh at it, but only in a certain way. If considering this small masterpiece as a present, be a little careful whom you give it to.

Another excellent if idiosyncratic reader of his own work is the poet Ted Hughes. I confess I had not grasped the stark splendour of his *Crow Poems* (Penguin) until hearing the author savour and spit out the words with slow northern emphasis – nor the dark humour either. The jokes are altogether brighter in Hughes's

reading of his whimsical fables, *How the Whale Became* and *The Iron Man*. Both are packed with suspense, created by Hughes's imagination.

His deliberate diction adds mischief to the gait.

Another if

surprisingly irritating when

Hughes was reading other

poets in, *By Heart, 101 Poems to Remember*, Keats, John Donne and

Shakespeare are not Ted

Hughes and a more varied treatment. They get this in *Classic FM's typically*

bright and cheerful *One Hundred Favourite Poems*. It is easy listening with goblets of classical music, but none the worse for that.

While on the subject of poetry, I make no apology for returning to Homer's *Odyssey*. The reading of E.V. Rieu's prose translation, which I praised last year was excellent, but Robert

Fagles's racy rendering into blank verse is much better.

Sir Ian McKellen does it the fullest justice in a 12-tape set (Penguin, uncl, £25). This may be as close as English speakers can get to the way in which this immortal epic was originally recited.

McKellen's near liturgical

emphasis of Homer's catch phrases creates a sense of authenticity without the least slowing the pace.

Although only a quarter of the price, I would not be tempted by Anton Lesser's abridged reading of Cowper's 1791 translation. This sounds distant to the modern ear, while Fagles and McKellen transport Homer into the modern world – and us into his.

I would add one other classic to the list: a very modern performance of a colloquial translation of Euripides's *Medea* (Penguin). Good performances all round, and especially by Tamzin Jones in the title

role, make it very clear why the Greeks were so excited about this play more than a millennium ago.

If my shopping bag were not full, I would be tempted by two excellent BBC dramatisations of great novels: *War and Peace* in only nine hours 15 minutes; and *Fielding's Tom Jones*. Both lose quite a lot from being cut and adapted. The authors' all-important voices, becomes muted (even though Fielding is given a speaking part). Both are such good stories that they can live through almost anything.

Finally, one to avoid: a two tape abridgement of this year's Booker Prize winner, *The God of Small Things*. Too many adjectives.

For further information try: The Talking Book Shop, 0171 491 4117 or Cover to Cover, 01264 731227.

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## BOOKS

Rereadings / Kit McMahon

## Mr. Pickwick stands the test of time

The popular success of *Pickwick Papers* was greater than has been achieved by any other novel. Published in monthly parts in 1836-7, its circulation had reached 40,000 by the last instalment and little short of a mania for the book, and every aspect of Pickwickiana, had set in. It went into over a hundred editions before the end of the century. It appealed to every social and intellectual class.

It dominated – indeed with Dickens' subsequent novels, did much to create – the middlebrow culture of the entire Victorian age. For many decades Pickwick himself, Sam Weller, Old Winkle, the Fat Boy and the rest were

endlessly quoted, imitated and merchandised.

This kind of thing gets tiresome after a few generations, so it is not surprising that there was a strong reaction against it; and when, in recent decades, there has been a renewed appreciation of Dickens – after a long trough in which not only middlebrows seemed (to me inexplicably) to prefer Trollope – it has been the later, darker (and admittedly greater) novels which have been celebrated. Certainly I hadn't looked at *Pickwick Papers* since boyhood and I picked it up again rather gingerly. But I was captured from the first page and laughed aloud at frequent intervals for the next 800.

It is above all a young man's book, fired by an extraordinary young man's energy. Dickens was 25 when he finished it – the same age as Waugh when he wrote *Decline and Fall*; and like the later book, but on an incomparably greater scale, it erupts with a wonderfully liberating use of language: for narrative, for comment, but above all for the dialogue, which is based on the superficially incompatible combination of an extremely accurate ear and wild, surreal invention.

What is striking about *Pickwick Papers* is that it contrives to be so much more than it has a right to be. The incidents, strung along a nearly

plotless and episodic narrative, are fairly traditional, many being directly borrowed from Smollett, Goldsmith, Fielding and others. Pickwick's companions are characters from stock who are never developed. Even Pickwick may appear to the lazy eye a cardboard figure.

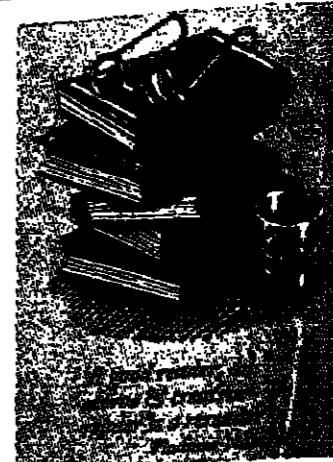
But as one actually reads the book it is impossible not to be captivated, as the first readers were, by the delicacy and freshness with which the predictable, farcical adventures are unfolded. Sam and Tony Weller, Jingle, Mrs Ledbury, author of the "Ode to an Expiring Frog", Pickwick himself, spring not to life, like, say, George Eliot's characters, but to some

kind of transcendental comic existence well beyond caricature or satire: free-standing and enduring.

During the course of the story, and roughly from the point when Mr. Pickwick voluntarily incarcerates himself in a debtors' prison, the tone subtly develops from pure farce to something slightly different. Gradually, his beaming, unromantic innocence starts to affect even the most villainous of those around him; and by the end of the book Dostoevsky's praise: "Pickwick... an infinitely weaker conception than *Don Quixote*, but nevertheless immense," seems less surprising than at first sight.

The theme of the two books – the protection and guidance of an unworldly father-figure by a streetwise, affectionate, metaphorical son – can certainly make us laugh, as Jeeves and Wooster show as well as Sam and Pickwick. But it can also touch us; and in taking this theme for his first novel Dickens shows immediately the greatness of his artistic imagination.

How many first novels, written in their author's 20s, can you think of where the protagonist is not a young man or woman? The deepest trauma of Dickens's life was his sense of abandonment and betrayal by his seriously inadequate father. It is a trauma he treated in many different



ways throughout his writing life. But it is wonderful that on his first appearance, and still so near to the pain – as we can see from *Oliver Twist* which was started before *Pickwick* was finished – he was able to idealise the relationship and present it with such hilarity and liberating verve.

## After the climb, the detritus

Michael J. Woods on the problems of Everest's popularity

The British have a certain fascination for cold and savage places, revering those who even dare to set foot in them, and tend to subscribe to the "it's not the winning, but the taking part" school of heroism. Scott and Mallory are venerated as much as Hillary and Tenzing for the sheer bravery of their efforts to climb Everest (Chomolungma in the Sherpa tongue), however ill-starred. And according to Ed Douglas in *Chomolungma Sings The Blues*, Britain only ensured that it was the first nation to reach the summit of the highest mountain in the world by having exclusive access.

CHOMOLUNGMA SINGS THE BLUES by Ed Douglas Constable £18.95, 228 pages

Since 1953, increasing numbers have climbed to the summit of Everest. At first these were large expeditions of climbers, more superhuman than we mere mortals, who laid siege to the place and reached the top by increasingly difficult routes. But then, like marathon running, it became apparent that, with a bit of practice, almost anyone could do it. Except that, unlike marathon running, climbing to the top of Everest was vastly more expensive and rather more likely to kill you. Meanwhile, a whole trekking industry has grown up in and around these high peaks as tourists have poured in to enjoy their beauty and wonder at their

entrance. But, while it touches on exploits of derring do, this is not the main thrust of the book: for while Ed Douglas is a climber, he freely admits that he has neither the cash nor the drive to go for the top. His main concern is how the mountain and its environs are standing up to increasing numbers of climbers, and to meet the essential members of every attempt, but unsung and invisible throughout – the Sherpas.

Everest is coping, Douglas concludes. Yes, some trekking routes are messy and the base camp area is worse, but a lot of work



Mount Everest: tourists and television have irredeemably changed the ambience of Kathmandu

Hiroshi Hamaya/Magnum

has been done to clean things up. There is increasing environmental awareness among the local people, as the establishment of the Sagarmatha Pollution Control Committee (Sagarmatha is the name given to Everest by the Nepali authorities in Kathmandu) bears witness. "The project began with 80 local volunteers walking to the foot of the mountain and bringing down 500 yak loads of garbage, around 30,000 kilograms", writes Doug-

glas and the difference has been profound. Local initiatives of this sort are much more productive than some highly expensive western "clean-up" expeditions", which are often little more than thinly disguised holidays.

The drive for mini hydro schemes clearly much more appropriate than the enormous projects funded by the World Bank, and each intended to provide a village with electricity to slow the devastating rate of

deforestation, throw up more sewage system and choking in a dense blanket of smog from 80,000 poorly maintained vehicles. But even these pollution problems can be solved: what Douglas mourns is the loss of the irreplacable atmosphere. The locals, such as Kamla Man Dixit, the editor of Himal magazine, agree: "I don't mind the garbage. Tomorrow we can clear it up. What I am worried about is that Kathmandu had a unitary ambience which is lost."

its sewerage system and choking at this time of the year, but my annual choice, for the season has, I think for the first time, to be two dance books, writes Clement Crisp. Nothing I have read away from the subject has so impressed me, and so enlightened me, as David Vaughan's big and beautiful book about *Merce Cunningham* (Aperture). British distributor Robert Hale, £55; or Roland John Wiley's pioneering and scholarly study, *The Life and Works of Leo Tolstoy* (Oxford), £45.

Both are gasp-makingly expensive; both are worth the money for dance lovers and, in the case of Cunningham, for those eager to know more about the avant-garde in music and art (in the sense of painting and stage decoration) as well as in dance.

As a cheating (but cheap) paper-back postscript, I must record that I much enjoyed Kate Atkinson's *Behind the Scenes at the Museum* (Black Swan, £6.99); it enlivened a couple of dreary flights.

## Nasty bits of history

Insight into historians' different interpretations of the same event: the vicious Vikings list 10 reasons why the Vikings invaded Britain – for instance, because there was too much food in Scandinavia, because there was too little food or because weather is nicer in the UK. Some are contradictory and some seem frivolous, but

they have all been taken seriously at some point. When you have read the book, try the recipes. We have made "Tudor" jumbles (almost very nice) and "Silky Smirn" gingerbread (wolfed by some vegetarians, but otherwise utterly disgusting and yet another ghastly historical insight). The eggs in mustard ("Terrible Tudors") and caramelised carrots ("Vile Victorians") will have to wait.

How Horrible are the Histories? Well, I thought the punishment of making someone wind his own entrails round and round a tree was too stomach-churning – although the book does say the Vikings probably made up tales of appalling atrocity in order to frighten their enemies. I wonder. My son seemed more upset about the 38,000 evacuee children whose parents didn't collect them after the second world war ("Blitzed Brits").

## Dance, fantasy and a life remembered

FT book reviewers solve your last minute Christmas present problems

A present for a literate and literary friend? Nothing better than the *Selected Letters of Robert Louis Stevenson*, edited by Ernest McEwan (Vale, £19.95), writes J.D.F. Jones. Over the last few years Vale have, to their great credit, published eight thick volumes of Stevenson's letters, superbly edited by Bradford Booth and Ernest McEwan.

This might seem too rich a meal even for Stevenson's devotees, so McEwan – a British civil servant who has devoted his unofficial life to the task – has produced a selection of 317 out of the total 2800 letters which wonderfully captures the brilliance, the charm, the genius, of the man. As in the eight-volume version,

Mehew's linking narrative and footnotes are a joy to read. And, as in the full sequence, Louis Stevenson emerges yet again as a fascinating, lovely man.

A deline Yen Mah swears that her *Falling Leaves. The True Story of an Unwanted Chinese Daughter* (Michael Joseph, £16.99), is completely true, writes Malcolm Rutherford. The picture of China is not flattering. There is reverse racism; an adulation of money, and abject poverty and cruelty in the background. Yet she retains an affection for the country she left: note some of the descriptions of Shanghai and of Hong Kong from rags to riches. The book is haunting.

him paralysed, speechless, able to move only his left eyelid, yet mentally active and alert. By blinking to indicate individual letters as an alphabet was repeatedly recited to him, he wrote this memoir: a voyage to the inner heart and mind of a man caught between remembered bliss and grey terror, isolated suffering and a vital, resilient spirit. An exquisite stylist, ironic, unsentimental, Bauby speaks like a heartrending, human voice from eternity, chronicling our times with warmth and dizzily longing, yet setting our busy world against loss and death.

The *Encyclopedia of Fantasy* (Orbit £25), by John Clute and John Grant, manages to pack over 1,000 pages with grous and original writing on fantasists from Walt Disney to Terry Pratchett, Tarot cards to Tarzan, Illuminating, Entertaining, dazzling in scope, it is a book to curl up with and read for pleasure as well as a landmark in the study of why and how fantasy nourishes the imagination.

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Harriet Arnold

Other titles in the series include: *Rotten Romans*, *Groovy Greeks and Awesome Egyptians*.

40th 150

Television/Christopher Dunkley

## A one-off comedian

Tommy Cooper, Eric Morecambe, Les Dawson and Frankie Howerd are dead. Ronnie Barker has retired. The Pythons have abandoned television – except for Michael Palin who has found a new television role as a professional tourist. Rowan Atkinson has settled for commercials and the unspeaking, not to say unspeakable, Mr Bean; and his colleagues from the brilliant 1970s series *Not The Nine O'clock News*, Mel Smith and Griff Rhys Jones, record only the occasional programme. Billy Connolly, arguably the best stand up comedian of his generation, seems intent upon making it big in some other country. The crowd of younger performers who were coming up on the rails to challenge the comedy establishment – Ade Edmondson, Rik Mayall, French and Saunders, Ben Elton, Victoria Wood, Harry Enfield, David Baddiel, Frank Skinner – have now become the new establishment and work much shorter hours.

Everyone can judge tonight when Channel 4 becomes Channel Izzard. From 11.10 it is largely a question of programmes chosen (supposedly) by Izzard, including the Woody Allen movie *Sleuth*, and near the beginning of the evening there is *Lust For Glory*, an unfortunate 40-minute parody of the rock proms in which a crowd of manipulative Americans film Izzard bedding a pair of babes, driving a masher sports car the screeches off in reverse) and so on. It does not work.

But from 10.10 you get an hour of his stage show, and as you watch what appears to be a stream of consciousness meandering from supermarket shopping to a dog-food called Cesar, and on to James Mason playing Caesar, you realise how difficult it would be for anyone but Izzard himself to develop this material. It is hard to imagine any other performer expecting to get laughs from a comparison of peeling oranges and satsumas, and even more difficult to imagine anyone else extending the joke by inviting you to assume that the orange you are trying to peel is the German submarine from *Das Boot*, and that Jurgen Prochnow is inside, shouting "Don't let them in! Push all ze pips into bite zey won't expect."

Izzard on the mynah bird flying the Atlantic in a 747, while curious and jealous birds outside the window watch him tilting the backrest and sampling the white wine, is wonderful. And Izzard on the possible outcome if Pavlov had tried his bell trick on cats instead of dogs is so funny that you, like me, may end with tears rolling down your face.

The material in this show is different from that in Izzard's autumn tour, so presumably he is willing to let us see it on television because he has finished with it on stage. If that has to be the arrangement, so be it, but let's see him on television again the moment he finishes his next tour. There is no one like him.

## Opera/Richard Fairman

## A posthumous premiere

It is hard not to be fascinated. There cannot be many composers who have written so much music and had so little of it performed, leaving posterity to read about all those symphonies and operas and wonder what they sound like.

Havergal Brian died in 1972, but there are still many of his works that are awaiting their first professional public performance. He was already 78 when he heard the first performance of any of his symphonies (the Eighth) and in his 80s he was to compose another 20 symphonies, making a grand total of 32. His five operas have fared little better. The first, *The Tigris*, met with limited enthusiasm when it was broadcast by the BBC in 1983, but that is no reason not to give the others a go.

Last week, the Havergal Brian Society – without his own personal pressure group Brian might well be forgotten – presented a concert performance of the composer's third opera, *The Cenci*.

Like so many of Brian's works, it was getting a posthumous premiere. Written in 1952, when Brian was nearly 77, still apparently unpublished, it has existed as an opera in the mind.

Brian set out with the bold ambition of setting to music Shelley's *The Cenci*, a blood-thirsty drama with power, religion, politics, lust and incest thrown in – how could an opera with all that fail? Unfortunately, Shelley gives his characters dense poetry to speak, which



Faultless interpretation: Nicolas le Riche and Fanny Gaida in 'Le Spectre de la rose'

let) described: "the light perfume that is my soul comes from paradise". The interpretation is faultless. He soars marvellously, unguessably poetic in feeling, subtle in gesture, but not effeminate – the arms curve ideally well – and his dancing pours over and around the girl like the perfume of the rose itself, which is her dream. Not Nijinsky, of course, but making Nijinsky, Fokine's choreography, and the magic of the old Ballets Russes, live again. It is one of the most completely satisfying pieces of dancing I have seen. The girl

was Fanny Gaida, charming in everything, but the ballet belongs to le Riche.

In passing, I record that the Opera's programme book for this quadruple bill (which runs until the end of the month) is handsome and to be treasured; and that the Opera Ballet is also performing at the Bastille in Nureyev's opulent staging of *Raymonda* (with performances until mid January). How different from the artistic endeavours of our own dear Royal Ballet with its fury infestation of the South Bank.



Scar with Leaves: Glyn Philpot's still-lives are as good as any of their time, worthy to stand with Nash and Spencer

## A reputation ripe for reprieve

William Packer on the work of Glyn Philpot, successful society portrait painter who fell from grace

**G**lyn Philpot died of a stroke in 1937. He had been in poor health for some time but, even so, his death was unexpected. He was only 53, and though his career had faltered in his last few years and his work had become a matter of some controversy, his reputation was on the point of revival.

In his time, he had been among the most successful of contemporary British artists: RA at 30, and a full Royal Academician before he was 40. Indeed, it was within the Academy that he had found and confirmed his early success as a versatile portrait painter – modern enough to intrigue his fashionable sitters from society beauties to distinguished academics, and sound enough to be entirely safe.

Through the 1930s and '40s he seldom had exhibitions as such for the Academy's Summer Show brought in commissions enough.

Only with the 1950s and an apparent change of style, what the papers described as "Philpot goes Picasso", did the trouble start. Even the Academy, somewhat less

adventurous then than now, refused his work on grounds of public decency. And within a year or two of his death, he was all but forgotten. His work – the decadent, dented, near-invisible fashion of a recent past – to be picked up for a song. But the world comes round again, and the guttering flame of his reputation has been kept alive by a few loyal friends and collectors – most notably by his niece, the late Gabrielle Cross, to whom he was devoted. It is from her estate that this exhibition at The Fine Art Society is largely drawn.

It is, naturally enough in the circumstances, a rather personal body of work and, though nominally fully retrospective, has the emphasis placed on the later, more controversial pictures. To see it now, one wonders what all the fuss could have been about, save only what are now to us the clearly homosexual sympathies displayed. But even making allowance for the different public sensibilities of those times, these sympathies are unexceptionable – sublimated, as they are in the sculpture and the imaginative compositions, in a

generalised symbolism, and in nothing more than the open affection of painter for sitter in some of the male portraits.

As to the formal qualities of the work and any supposedly radical change of style, it is hard to see anything more marked than a general evolution towards a lighter and more highly-pitched palette; a simpler, flatter pictorial space and disposition of the image; less full a modelling of the form; and a drier, looser quality to the paint. Of Picasso, at least here, there is nothing at all.

This is not to say that Philpot was merely an opportunistic imitator. All artists are necessarily of their time, and influence can be a general and unspecific thing. Philpot was clearly not the great genius of his age, but he was always his own man and his work comes happily together, all of a piece. More to the point, how good so much of it is, most especially the more straightforward paintings, which are the portraits and the still-lives.

The portrait is, or at least was,

such a standard exercise that in terms of modern painting it is all too easily disregarded. For Philpot it was his bread-and-butter, and yet what we have here, not just in the more obviously engaged and fully modelled study of Philpot's black friend, Julien Zaire (1932), but in the fine nude back-view of a black model (1937) and the unashamedly flattering society portraits of Guendolen Cleaver (1933), his sister (Gabrielle's mother) Mrs Clement Cross (1934), and the splendid three-quarter length of his close friend, Vivian Forbes (1934), are some of the most striking and deeply characteristic images of British painting in the 1930s.

As for the still-lives, a black bottle and a mandolin (1934), a striped scarf, leaves in a white jar and plants on a grey cloth (1935), modest, direct and unaffected, they are as good as any of their time, worthy to stand by right with Nash and Spencer. The time has clearly come, and not before time, to look fairly at Philpot again.

Glyn Philpot RA: The Fine Art Society, London W1, until January 16, then on to Pallant House, Chichester.

## Shades of Fokine and Nijinsky

Clement Crisp on early Ballet Russes triumphs recreated in Paris

**P**aris was always the focus for Diaghilev's activities. His first foreign venture, in 1906, was the tremendous exhibition of Russian art which he brought to the Grand Palais. There followed the concerts, the opera season and then, in 1909, the first ballets, and Paris was to remain an essential staging post for all his subsequent work.

Nothing, then, surprising at the ballet programme at the Palais Garnier, which opened on Wednesday night, uniting four early triumphs of the Ballets Russes: *Les Sylphides*, *Le Spectre de la rose*, *L'Après-midi d'un faune*, and *Petrushka*. (Though surprise, perhaps, at how late – in 1959 – *Les Sylphides* has entered the ballet's repertoire).

*Sylphides* was beautifully danced, and given in the Kirov Ballet's version, mounted by Irina Kolpakova, that airtiest of sylphs. As its ballerina, Elisabeth Platel was exquisite, every phrase, every pose, delicate in shape and sensibility, held on the air like mist. Those two rising stars, Ghislaine Faillou and Aurelie Dupont, were her companions, Faillou darting high over the mazurka, Dupont exploring every nuance of the waltz. Jose Martinez was the "youth of the Chopin type" – so Fokine described him moving quietly through this dream. The staging provided an oddly beige view of Benois' original setting, but the ballet was truly Fokine's masterpiece.

Both *L'Après-midi d'un faune* and *Petrushka* were decently done, yet both lacked idiomatic central interpretations. Kader Belarbi, fine dancer that he is, has the wrong "look" for the faun – his physique,

his features, seem too sharp, and miss the blunted animalism that shapes the faun's identity. Laurent Hilaire's *Petrushka* has blood, nerves (all too near the surface), and an innate elegance that make the puppet more premier danseur than suffering bag of sawdust with elemental emotions. (A celebrated photograph of Nijinsky in the role shows his face like an amateur's first attempt at sculpture, smeared, shapeless, eyes like defeated currants. Therein lies the character).

At the heart of the evening, though, was something quite exceptional. Over the past five years, I have reported on the magnificent gifts of Nicolas le Riche. There is seemingly nothing he cannot dance, and dance superlatively well, from James in *La Sylphide* to Quasimodo in Roland Petit's *Notre Dame de Paris*. He is an artist of limitless powers and still in his early 20s – sincere and truthful in everything, dancing with an almost innocent genius. (In this he reminds me of the angelic Yury Solov'ev; there was the same purity of intention, the same honesty with the choreography).

But to take on Nijinsky's quintessential role as the spirit of the rose? The part is, nowadays, undanceable. I have seen several fine dancers in the past 50 years rush at it, as they might take on Everest, and with as much success. (Impossible to believe in their ecstatic writhings, in the roseate bathing suit, in the petalled cap and the feeling that they had lost their masculinity and found nothing but a blank gaze to replace it).

Le Riche proved me wrong. He brought to the dance what Gauthier's poem (the source of the ball-

let) described: "the light perfume that is my soul comes from paradise". The interpretation is faultless. He soars marvellously, unguessably poetic in feeling, subtle in gesture, but not effeminate – the arms curve ideally well – and his dancing pours over and around the girl like the perfume of the rose itself, which is her dream. Not Nijinsky, of course, but making Nijinsky, Fokine's choreography, and the magic of the old Ballets Russes, live again. It is one of the most completely satisfying pieces of dancing I have seen. The girl

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Christians Exhibition featuring works from the Royal Societies

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9.30-1.30 2.30-5.30

## ARTS

**W**ell before the tree is lit in the medieval court, weeks before Thanksgiving, Christmas comes to the Metropolitan Museum of Art in New York, or at least to the stores there. The sheer range of products makes the ground-floor shop look like a department store - 17,000 square feet of one-stop shopping. There are books, toys, glassware, necklaces, jewellery, art reproductions, plus strategically-placed Degas or Picasso mini-boutiques at the exits of major exhibitions. The variety reflects the range in the galleries a short walk away - and the place is packed.

Another 16 Met stores around the world sell the same merchandise. This retailing and the licensing of images and objects from the Met's collection amount to more than \$50m a year. The entire operation - including stores in Los Angeles, Japan, Singapore, and Paris - makes around \$100m for the museum annually.

In his office overlooking

# Souvenirs cashing in on culture

David D'Arcy on why Americans are visiting museums and coming away with art-inspired pasta

Fifth Avenue, the Met's president, William H. Luers, wears a necklace with a decorative pattern drawn from the museum's *Choses d'Egypte* exhibition last year - a critical and merchandising triumph. Merchandising fits into a broader strategy of using earned income to fund the Met's more scholarly activities, Luers explains. "We don't call it profit," he stresses, adding that shopping at the Met is itself a charitable act: "A gift from the Met is a gift to the Met."

Other museums have tried to follow the Met's lead. The US museum merchandising business accounts for about \$50m annually. The Brooklyn Museum of Art, which had to close some galleries for lack of attendance and support, maintains a huge shop and operates a satellite store on Sixth Avenue in Manhattan.

The Museum of Modern Art is poised to open new stores - with a merchandising chief fresh from Bloomingdale's. The Boston Museum of Fine Arts has long relied on mail-order catalogues for revenue; others have taken to home-shopping cable television, and struck gold. Customers need not even visit the museum to buy from the store: "a souvenir of an artistic experience they've never had," one critic observed.

Why is this happening now? Museums face huge cutbacks in government funding, and costs have risen. Merchandising and licensing have taken their place alongside membership drives, corporate sponsorships, fashion benefits and hall rentals to fill in the growing budget gap. Forced to sink or swim, American museums are learning new survival skills.

Merchandising at the Met originally dates from the 1870s, when the museum commissioned and offered its first reproductions. The real surge in merchandising, however, is a postwar phenomenon, which grew with the evolution of such mass-audience blockbuster exhibitions as *Treasures of Tutankhamun* in the 1970s.

Recent financial pressures have brought refinement, masterminded by one man, Bradford Kelleher. Now 78, he was an art history graduate who started with a postcard-stand at the Met's information desk after the second world war. Kelleher's career includes some blunders (kimonos) as well as the introduction of the now-omnipresent museum t-shirt and the expansion into markets such as Japan and Singapore, where the Met name has a Gucci-like cachet. Now, although museum people such as

Kelleher have given way to professional retailers, institutions are filled with ex-Kelleher staff, some of whom have established operations at MoMA, Brooklyn, and American Museum of Natural History.

"A lot of it is what I call product customisation. The product already exists and we just customise it," says Philadelphia's merchandising guru, Stewart Gerstein (formerly of the Museum of Modern Art and the Guggenheim Museum).

Merchandise attracts new visitors to museums, Gerstein argues, many of whom come just to shop. But it also brings critics, who call the souvenirs vulgar and ugly examples of an enterprise that trivialises and obscures the institutions' mission to collect, conserve, and educate.

Philadelphia is far from the only museum to try outrageous products. The Van Gogh Museum in Amsterdam featured an ear as a souvenir product at a Van Gogh retrospective. At the Museum of Contemporary Art in Los

Angles, a limited edition soup tureen inspired by a prop in a photograph by Cindy Sherman, sells for \$500. The Barnes Foundation outside Philadelphia (until recently a bastion of non-commercialism which only sold self-published books by its cantankerous founder, Albert C. Barnes) now sells wire \$300 spectacle frames - modelled after those worn by Barnes.

The Met and MoMA enforce curatorial veto over products, but some museums have been accused of selling out, trading their dignity for a quick financial fix. An epidemic of dubious blockbusters with merchandising potential has also been predicted. On a practical plane, experts warn, retailing is costly to launch, perhaps the least cost-effective way for museums to raise funds, and retailers often end up

## Off the wall/Anthony Thorncroft

### Pass-the-parcel play for time

**T**his weekend culture secretary Chris Smith disappears on holiday, leaving a batch of tricky decisions pending until mid-January. Who will be the new chairman of the Arts Council of England, succeeding Lord Gowrie? Who is prepared to take on the chairmanship of the Royal Opera House, Covent Garden? What on earth should he do about the South Bank Centre, a prime asset owned by the government?

If he is short of reading material, Chris Smith can take away with him the latest report by the Arts Council on the South Bank. This is the big one, a 2700-word re-vamp which neither the council, Chris Smith, nor the Treasury seem able to make up their minds about.

Last week the council accepted most of the South Bank's re-development plan, including Richard Rogers' great canopy, but said that it did not have the lottery money available to finance the project. It tried to pass the parcel on to Chris Smith.

Smith promptly handed it back, asking the council to come up with new ideas on how it might be financed. In a speedy riposte, it has told Smith that the only way the scheme can be funded is for him to let the council draw cash from future lottery allocations. It claims that, after the government grabbed around £40m a year of its lottery money to pay for homework clubs and the like, most of its cash is already committed.

In theory, the lottery only exists in its present form until 2001; no money beyond that date can be ear-marked. The Arts Council believes that the government can ignore this. After all, it expects to be in power until at least 2005, and it is largely a book-keeping exercise anyway. If the government says no, the council will speculate that yet another raid is planned on the money going to lottery "good causes" before the next election.

The council has decided that the South Bank should be one of its five "landmark" projects, for which it has allocated £200m. The others are the Lowry Centre at Salford, now funded; a big arts and music complex in Gateshead; the transformation of Bristol docks into a culture centre; and an as yet under-wrap development

for the RSC at Stratford-on-Avon. These projects depend on guaranteed lottery funding until 2005.

The government doubts whether the Arts Council is really so strapped for cash. By the end of November it had received almost £782m in lottery funding and had only handed over £404.5m. It has a balance of £377.5m, and around £5m extra arriving every week. Much of this may be committed, but by juggling the figures the South Bank could surely receive its money.

The South Bank wonders whether all this is just another device to string out the issue - to see out Lord Gowrie, who favours the scheme, from the Arts Council, and to force the frustrated and angry South Bank board into resignation.

**F**rustrated and angry feelings of the members of the Arts Council as they survey next year's annual grant of £184.6m, announced by Chris Smith on Thursday. As expected, the previous Conservative government's earmarked cut of £1.5m in the council's budget has been rubber-stamped by Labour, which means that over the past six years the council has seen its money fall by around £36m in real terms.

Lord Gowrie readily admits that arts companies have never been in a worse financial plight than during the four years of his chairmanship, with the council having lost almost £25m through frozen or reduced annual grants.

When the council meets in January to decide on the individual grants, however, it may not be equal misery for all. There seems, at last, a determination to sacrifice some big companies to ensure that the majority can just keep going. Past experience suggests that the council might try to fudge things until the summer, when the new Lottery Act should enable it to use lottery money for revenue funding rather than just on bricks and mortar. But with an apparent desire gaining strength in the council to encourage new talent, and to endure the unpopularity of axing under-performing groups, grants could be removed from some famous and long-established arts companies.

Theatre/Alastair Macaulay

## Gogol in the Gorbals

**T**he literary policy of the Almeida Theatre is nonpareil. During the 1990s alone, this little Islington haven has given us Euripides, Molière, Racine, Johnson, Dryden, Griboyedov, Ibsen, Chekhov, Shaw, Brecht, Lorca, Anouilh, Beckett, Pinter, Albee - almost the canon of western world drama - and some highly accomplished other new plays too. Often one production reveals connections to plays we have seen there before, and so we see connections within the canon at the Almeida.

The new production of Gogol's classic comedy *The Government Inspector* (1835) is spiffing, and among its pleasures are that it connects to Griboyedov's *Chatsky* (1824; staged here four years ago) and to Chekhov's *Ivanov* (1889; staged here this January). The Almeida - an auditorium like no other in London - also makes us feel, more remotely, resemblances between Gogol and Molière.

The same stylish taste that selects the repertory on paper also brings it to fruition onstage. There is a real house style at the Almeida - one feels it in design, lighting, casting, characterisation, and vocalisation - which sets standards higher than those of our larger national companies, and which has percolated handsonely into several West End and a few National Theatre productions. Sometimes the stylisation is excessive; but in *The Government Inspector* all the elements meld into a terrific ensemble: actors, play, translation, design.

This is *The Government Inspector* with a twist, mind you: in John Byrne's new adaptation, it is delivered in Scots accents: which become, perfectly, part of the comedy. (You have only to hear the Lord Provost as his gorgon wife and Kathryn Howden as his nimby daughter, and Tom Watson, Peter Kelly, Brian Pettifer, Kern Falconer, Alex McAvoy, Murray Hunter, and Stuart McQuarrie as his cronies on the town council: detectably individual contributions from each and every one.

The basic format of the play - why have I never noticed this before? - is the prototype for J.B. Priestley's *An Inspector Calls*: everybody falls for a false inspector, discovers the deception too late, only to find at the end of the play that the real inspector has just arrived. Tom Hollander here plays

the *four* one, Khlestakov, as a sort of Toad of Todd Hall: cartoonish, arrogant, affected, and irrepressible; he is a performance of ideal vigour and impudence: Hollander, despite some exaggerated silly-voice artifice and several flourishes of eye-circling tonsure, has done nothing better. He's almost an *Ab*



Absolutely spiffing: Kathryn Howden and Tom Hollander in the Almeida's new production of 'The Government Inspector'

Alastair Macaulay

Bob character. At one point he announces to these buffoons the many books he has written - "Lots and lots, I can't remember them all. *The Marriage of Figaro*, *The Three Musketeers*, yah, yah yah" - with such airy indifference that he becomes intoxicating.

All praise to Jonathan Kent, directing. From first to last, his production has zip and verve and detail. Rob Howell's designs catch the cartoon-like bathos of this little world onstage with a sinking U-shaped floor and a similarly warped rear wall. Jonathan Dove - to whose contribution to the music of the National Theatre's Peter

I object only a day or so ago - has composed an eloquent and meaty Russian song to introduce each scene here: in only a few phrases, it plunges us into the colour and emotion of 19th-century Russia.

Almeida Theatre, London N1. Sponsored by AT&T.

Radio/Martin Hoyle

## Get the mother tongue around breakfast

**T**his morning's breakfast may, if I have got it together in advance, be small fry, small paté or small kebabs; followed by lavender jelly or lavender marmalade, perhaps with kaukau (sweet potato) cake.

I can imagine few more delightful last-minute stocking-filler than *The Best of Breakfasts*, recipes from Radio 4's *On Your Farm*, compiled by Joanna Toye (Michael Joseph, £12.99). As the above dishes suggest, the programme's scope is wide. Of course there are the traditional staples: variations on eggs and bacon, a battalion of bangers, even a liberal Irish interpretation of breakfast from County Down: leek and potato soup and roast beef.

All are meals sampled by the programme's indefatigable presenters on location over the years.

including the odd disaster. The ex-sea captain in the Forest of Dean inspired newspaper headlines ("Passions fired by widowed farmer's burnt breakfast") when his charred offerings prompted a deluge of *femmes fatales* eager to look after him. Actually, the one recipe of his considered fit to print - beer bread, made simply with Newcastle Brown, flour and sugar - looks as if it might be an unexpected treat, something for the non-cooks of the family to try over the holiday period.

Otherwise it's intriguing to see the formerly exotic -

venison, herbs, the above-mentioned snails (from northern Scotland) - blending with the traditional (sausages provide a wonderful area for experiment). Organic food fans are not ignored: many of the recipes could do for other meals; and the appendix lists handy addresses and suppliers.

The British breakfast is turning into something as eclectic as the English language: either the uniquely versatile and sensitive product of a richly diverse ancestry or a bastard mongrel, depending on your notions of linguistic purity. *Mother Tongue* is Radio 4's

new series on the evolution of our present-day mid-Atlantic mumble. Perhaps appropriately, it is presented by an American, representative of the current incarnation of our North Sea verbal jumble. Bill Bryson is always a welcome visitor, once an amazingly tolerant resident in this tight little island and author of an affectionate outsider's view of Britain. It is suitable that a series on the extraordinary diversity of the English language's origins should be introduced by a practitioner of its newest and probably most vital variant. I cannot help wondering what the more culturally fascist

academics of, say, France or Spain would make of programmes on their sacred tongues presented by a Quebecois or a Cuban.

The first programme got off to a fascinating start. As ever, language is a pointer to national character, and it seems that pragmatism was a feature of these islands even before an English people had emerged. If an Anglo-Saxon pronoun led to confusion (the third person plural "he" for the singular "he", for example) then the Scandinvian "they" was painlessly adopted. We are reminded of the old distinction between the beast *au naturel* and its

cooked version (ox and beef, sheep and mutton), thanks to Norman French and the realisation that gastronomy has always been an alien art. The programme ended with a newspaper item being analysed for its philological components - Latin, French, English, Norse. The best thing about English is its magpie hoarding: because Latin and French give us "regal" and "royal" it does not mean we throw out the English "kingly", all three words having different overtones, different flavours, and working in different contexts. This range of alternatives for one concept, with class - and another story, though it was

interesting to hear *Analysis* touch obliquely on social divisions in its discussion on the possibly disproportionate public funding of Oxford and Cambridge. It emerged *en passant* that educational, and subsequently professional and social, elites exist in egalitarian America (Harvard, Yale, the Ivy League), France (the *grandes écoles*) and Japan (Tokyo University). The point of state subsidy remained moot (Old English, though opponents sounded gratifyingly Dave Spartch (modern English), churning out out-dated images of Oxford, one of them, bailing from the area soon to be blessed by the Millennium Dome (late-20th century: see also "folly", "white elephant", "arrogant" and "shambles"), which seemed strangely appropriate.

# How to Spend It



Left to right: Alamos Ridge Cabernet Sauvignon, £5.40; Minnie Mouse Doll, £9.95; bone salt dish, £7.95, and spoon, £2.75; chocolate-covered orange peel, £7.50; Muji's clear plastic folders, £1.95 and 95p; white wood apple and pear, £2.50; extra virgin olive oil, £10.35; glass pot, £10; bottle of Smythson's ink, £9; stationery from Muji, from £2.50; Bobbi Brown eye pencils, £9.95; Designers Guild leaf-embossed notebook, £9.90; Fleur lavender oil, £4.20; Black beeswax candles, £2.75

## Christmas treats for less than a tenner

Lucia van der Post asks a talented cast to use their ingenuity in finding appealing presents

**O**ne of the best Christmases we ever had was the time we rented a Scottish shooting lodge over the holiday period, invited lots of our own and our children's friends, and allowed no one to spend more than £15 on a present.

We were, of course, awash with books - wonderful paperbacks can still be had for much less than £15 - but in a remote place like that, what could be better?

Christmas, we discovered, didn't have to be expensive - what counted was ingenuity, imagination, matching present to person.

This year we have set a number of prominent people an even tougher limit - what, we asked them, would they choose for under £10, either for themselves or for somebody of whom they were fond.

A quick look round the stores shows that it isn't quite as tough a proposition as one might think. Food is an obvious contender (however small the quantity, the quality must be of the very best) - perfect truffles, a tube of truffle paste or a bottle of truffle oil, amaretto, the list is endless.

Marks and Spencer is always a good source: it is selling a terracotta pot filled with narcissi or amaryllis. The Conran Shop, St Fulham Road, London SW3, has coloured glass tumblers at £2.95, glass candlesticks at £2.95, coloured glass flower pots at £2.95, or coloured cotton napkins for £1.75.

At Liberty of Regent Street, there are tortoiseshell bangles (three for £9.95), amber drop earrings for

£9.50, shiny red or black container pots for £9.95 or £8.95, as well as a mass of Liberty print covered diaries, photographic frames, address books and the like, all for well under £10.

At Manguette, 40 Gordon Place, London W8, there are delicious rock-shaped soaps, for £9.95, at Next, splendid notebooks for the same price, while Johnny Loves Rosie hair slides are £2.95, and Aromatherapy of Roma candles (available from Space NK apothecary shop) are just £7.95. Here, on the rest of the page, are what our guinea pigs chose.

**Caroline Charles, fashion designer**

"No woman is complete without a Bobbi Brown eye pencil, so this is top of my list. But once the make-up has been sorted out, then tranquillity is everything - especially at Christmas - which means that Fleur Lavender oil is a necessity for my bath."

**Bobbi Brown eye pencil, £9.95, from Harrods; Fleur Lavender oil, £4.20, from selected health food shops in London or direct on 0181-444 7224.**

**Zeev Aram, founder and owner of Aram Designs**

"I would like a good bottle of cold-pressed first pressing extra virgin olive oil because it is very enjoyable while it lasts, you are not stuck with it forever like a sweater or a tie, and it is good for you and your health. Try a simple Olio Sasso from Camisa in Old Compton Street, or half a litre of Il Padrone from Carluccio's in just £7.95, also from GTC. White apples - a group in a bowl looks wonderful - are £2.50 each. They come from Penridge Ceramics (tel: 01922 525181).

**Woodhams, 60 Ledbury Road, London W11, has small glass pots at £10 and Pauline Thomas sells wonderful black beeswax candles for £3.75 each. And, of course, anything to do with chocolate."**

**Tomasz Starzewski, fashion designer**

"I'd love 200g of chocolate-covered orange peel from Bagatelle in Harrington Road, London SW7 - they cost just £7.50."

**Frank Sawkins, founder and owner of Czech & Speake**

"A bottle of ink from Smythson's in Bond Street [£9] because I like to draw with a fountain pen. Also, the ink is presented in such a fab box."

**Tyler Brule, editorial director of Wallpaper magazine**

"I'd like a bottle of delicious wine that goes with anything - say a bottle of

Alamos Ridge Cabernet Sauvignon from Safeway at £5.40."

**Matthew Bourne, choreographer and artistic director of Adventures in Motion Pictures**

"I am a big Minnie Mouse fan; she is clearly the most talented and undervalued Disney star, so I would be happy to receive anything to add to my growing Minnie collection. Mickey, Goofy, and Tinkerbell would also be welcome and even a Noddy or a Barbie, but definitely not a Barbie. I do, however, have two naked Kens in my bathroom which could do with a bit of company and Kens are very cheap to buy."

**9in Minnie Mouse Doll, £2.99, from The Disney Store, 01923-222635 for stockists.**

**June Summerill, partner in Summerill and Bishop Kitchen shop, 100 Portland Road, London W11**

"I love to make a note of quotations as I read and I like jotting down bits of information that I find interesting, so I would like to have one of Designers Guild's leaf-embossed notebooks. The last word I noted down was 'Aloof', which

means beautiful in Irish. I

can imagine using it at my desk, which is actually an old painter's table and is covered in splashes of paint."

**Designers Guild leaf-embossed notebook, £9.90.**

**Maureen Doherty, founder and proprietor of Egg, 38 Kinnerton Street, London SW1**

"I'd love a book token, a packet of cornflower seeds, a stone or a shell - my daughter always buys me a shell and I love them."

**Ashley Lloyd-Jennings, co-founder of Hackett and now creative director of Alfred Dunhill**

"I'd like anything from Muji - in particular pencils, notebooks or anything else from the stationery range."

**Additional research by Edwina Ings-Chambers and Alexander Stevenson**

### Christmas is Magic at Simpson!

Inspired by the exciting and fascinating world of magic, Christmas at Simpson promises to fulfil all your dreams! With seven floors of exciting Christmas gift ideas for men and women, you will find something in store for everyone. Beautiful tailored clothing from DAVS sits alongside a host of other international designers.

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**Simpson**

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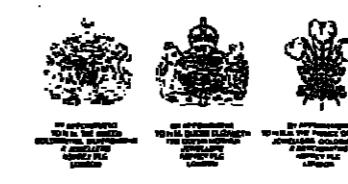
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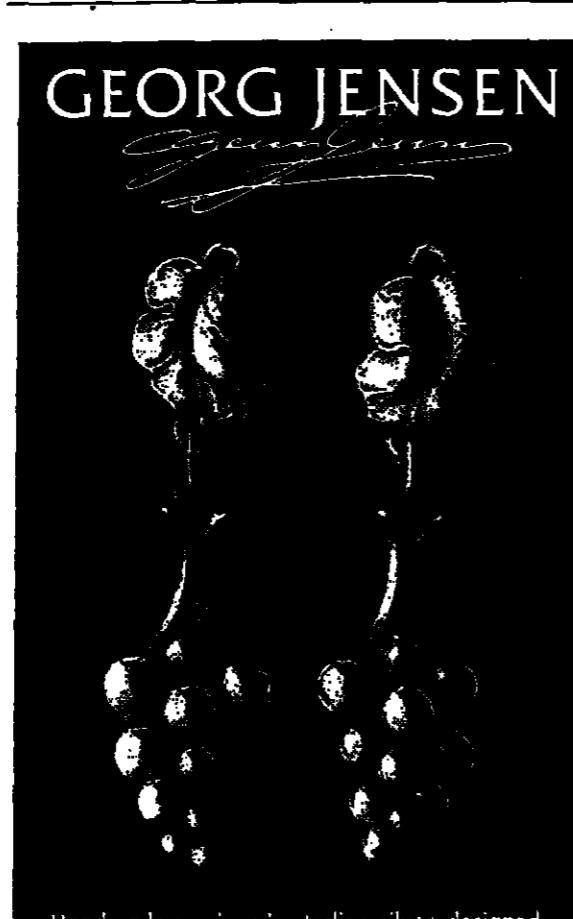


Every man secretly wishes for something beautiful on each arm.



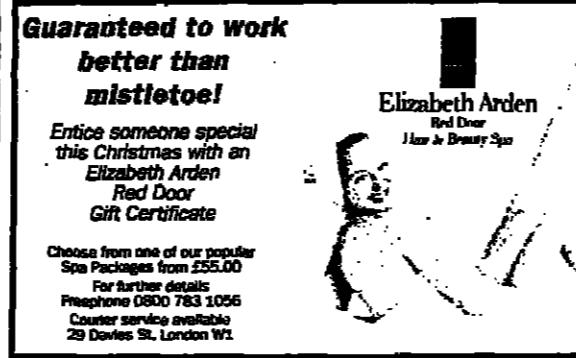
LONDON

A perfect Christmas gift, The Asprey 4' Sterling Silver and Enamel cufflinks, at £120, are part of a vast range of cufflinks in a variety of intriguing designs. Asprey presents this range in a special cufflinks event: 'A Story with Hundreds of Links' from now until Christmas. Only at Asprey, 165-169 New Bond Street, W1. Tel: 0171 493 6767.



Handmade earrings in sterling silver, designed by Harald Nielsen in 1930. The grape motif is a renowned Georg Jensen classic.

18 New Bond Street, London W1Y 8PR Tel: 0171 493 6741 & 0171 633 3622



## HOW TO SPEND IT

Fashion

# Welcomed with wide open arms

Holly Finn finds the wrap dress cures her broken heart

**W**hen I heard about Diane von Furstenberg's resurrection of the wrap dress, I had a feeling that it had come at a good time for me. Without seeing any pictures of the 1990s version, I could picture myself in it.

I tried it on in my head and it fitted. For one who enjoys shopping almost as little as listening to someone clip their toenails, doing it mentally rather than in person is wonderful.

I called my mother to check that I wasn't suspending any worthwhile disbelief. Yes, indeed, she had owned one of the 1970s wraps, and it fitted her perfectly. Because my mother and I have almost exactly the same sized body, this confirmed it. I could buy one without really shopping for it.

I called Saks, which was selling them exclusively in the US this year, and asked about availability.

A helpful person said that, although they had very few in stock, Ms von Furstenberg would be visiting the store between 12pm and 3pm the following Tuesday and would be bringing samples. I noted the date in my diary.

But I woke on the Tuesday distraught at the knowledge that my ex-beau had found another. Heartbroken, I could think of nothing but that a long walk would help. I walked downtown and didn't stop until I got to Saks, minutes after it opened at 10am.

Lucky, lucky me. The dresses had already been delivered. And on the 7th floor, the Diane von Furstenberg racks were already swarming with fellow pur-chasers. Had I waited until 3pm, as intended, I'm quite sure I would have found only hangers swinging on the rails.

I picked a dress and tried it on. Voilà! I bought it. My only moment of doubt came when I realised that the cream scribble pattern on the chocolate brown background did, in fact, include the barely recognisable

It is clothes reminding the woman to do things with gusto, clothing as catalyst

and there is a variation on the scribble pattern in a lighter, nondescript brown.

There's also leafy velvet pattern laid over sheer black, for evening, and a plain bright red silk.

It is the shape that is important. All have V-necks. Some, like mine, have a collar. This falls purposefully, happily at the edges of the collarbone. Soft cuffs at the end of each sleeve can be pulled flat or folded jauntily back. The length is just above the knee, where nothing goes wrong.

But the real joy of the dress is the wrapping around. As it hangs at the hanger, the dress can look petulant, saggy. It remains moodily when you hang it on your shoulders. But when you grasp the two ribbons of fabric that do the wrapping, tie them up and look in the mirror, everything has changed. The ribbons are

Diane von Furstenberg wrap-dresses are on sale in the UK at Browns, 23-27 South Molton Street, London W1, starting at £140

not mean and stringy. They are about 3in wide, obi-style, generous. You feel a gentle pressure, as if two loving hands were holding you at the waist, just where you like it.

The sexily proportioned Diane von Furstenberg wrap

stirs you to sip a peppery red wine, to skip, to kiss. In it, you feel like you do those things very well, and you do. This is not a case of clothes making the woman, it is clothes reminding the woman to do things with gusto, clothing as catalyst.

Because of its previous incarnation, the dress is an old favourite when you first put it on, something well-worn. I have never been one for vintage clothes shops, because I don't want to wear someone else's history. With this wrap, I'm wearing my own history.

I imagine my mother in her years ago, me tugging at the silken skirt while she strides along gainfully. Some time ago, I heard New York's

governor Mario Cuomo on the radio, saying that life is about motion, not joy. In this dress, it's about both.

And about understanding how what preceded you looked then and how it looks now.

More temporally: wearing this wrap, at least in New York City, is like walking an unusual dog. People can't help commenting and you can't help feeling a fillip no matter what your physique.

I, as I suspect, we all share a secret desire to go to the chic bar round the corner feeling as good as we do in our bathrobe, as good as we did before our hearts were broken, we should get wrapped up in this.

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## HOW TO SPEND IT

## Whatever you buy, make it the best of its kind

Lucia van der Post with suggestions for what women really want for Christmas

I don't know about you - and I'm sorry if this sounds ungrateful - but quite frankly there are some gifts I'd rather not see this Christmas. I don't want a hostess trolley, a pineapple masquerading as an ice-bucket, honeysuckle lights, a poinsettia, anything joky that makes a noise, purple gloves and most particularly of all please, please no chocolates (not even truffles or dark bitter mints).

And if any of you men out there are reading this, you'd be amazed how many of my women friends agree with me. We know what we like and what we like are luxuries, the sorts of things that are perfect of their kind. They needn't be large or expensive, though if you're really flush a week at the Cipriani a chauffeur, some jewellery from Solange Azagury, a pair of Manolo Blahniks, a Howard Hodgkin painting or a year's ministrations from a personal trainer never go amiss.

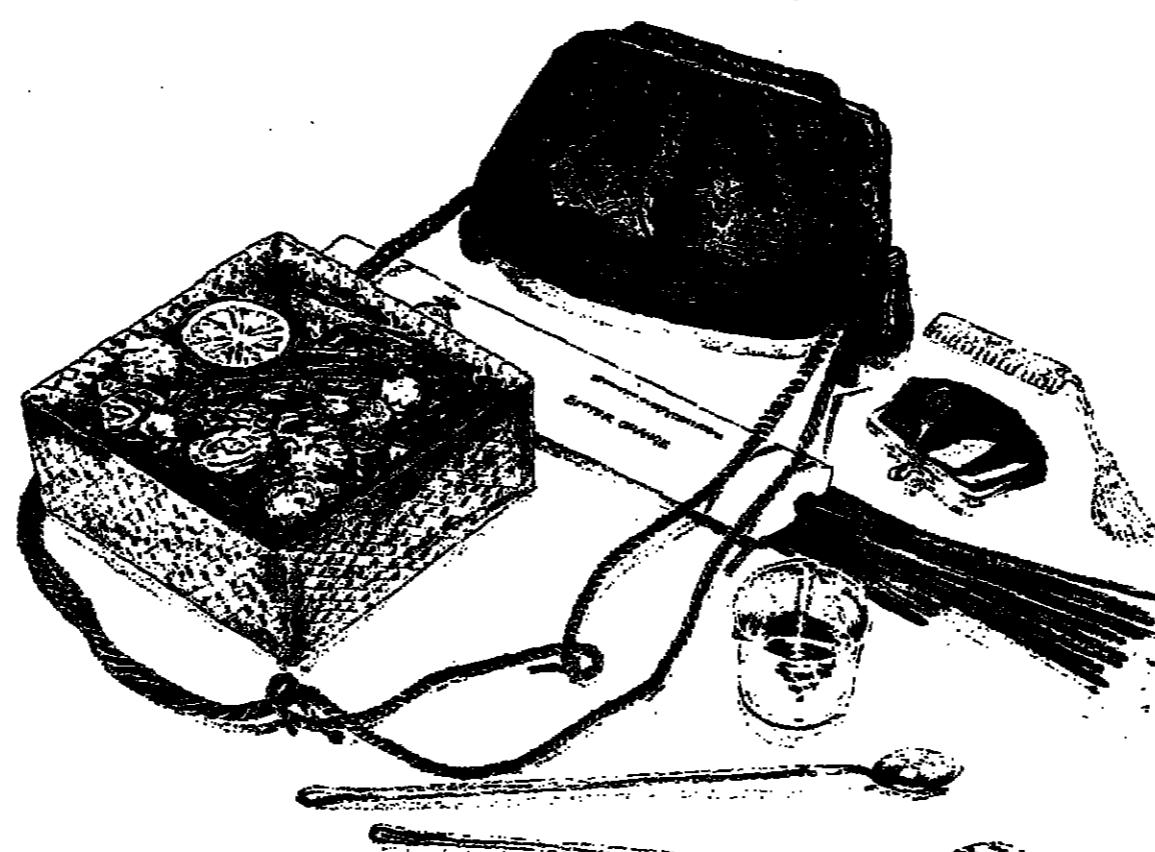
But true luxuries can also come small. They can be as inexpensive as a single bar of beautiful soap (best is the almond one from the Farmacia Santa Maria Novella in London's Walton Street), one perfect cup and saucer, some Himalayan tea, an antique pillowcase, plain white candles, a suede-covered coloured notebook from Designers' Guild or a Bobbi Brown pale nail lacquer. But whatever it is, it should be the best of its kind.

For those still looking for ideas of what to give the women in their lives, here is a list of suggestions culled from the wish-list of friends and colleagues.

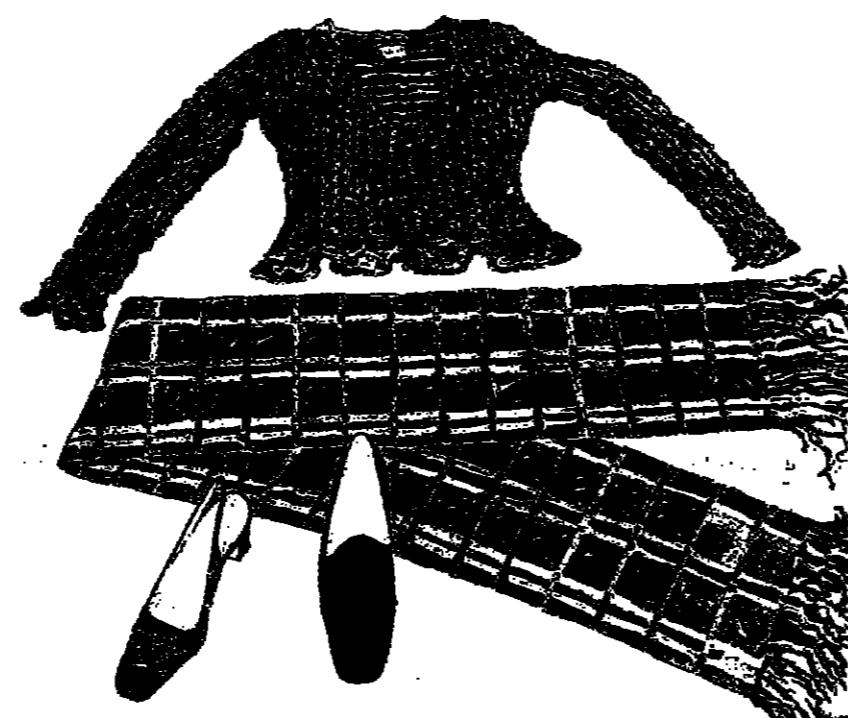
If she likes cooking, give her the right cookery book - she's probably mastered *River Cafe One*, so give her *River Cafe Cook Book Two* by Rose Gray and Ruth Rogers, £25, or *The Sugar Club Cook Book* by Peter Gordon, £20. Foodies would love a bottle of Limoncello or a hamper from Carluccio, from £19.50 to £260, 28a Neal Street, London WC2 (tel: 0171-240 1487). Otherwise, a small pot of caviar or foie gras.

An archive recording - Yehudi Menuhin in his prime, playing the Brahms Violin Concerto in 1943 or Arturo Rubinstein playing Chopin. Or for something trendier, there's that fine classical musician Yo-Yo Ma playing "Soul of the Tango".

Scant - but it has to be the right one. If she's young and up to the minute give her Soms of Comme des Garçons *eau de parfum*, £33. Aqua di Parma, originally devised for men, is increasingly popular



Clockwise from left: orange-scented Agraria pot-pourri, £40, and burning sticks, £20, Browns, 22 South Molton Street, London W1. Judith Leiber evening bag, £1,375, Harrods, London SW1, and Asprey, New Bond Street, W1. Silver hand-beaten jug, £145, and long-stemmed spoons with gemstones, £145 each, William Waite (tel: 01451-570 382) and Egg, 36 Kinnerton St, London SW1



Burnt orange tweed jumper, £280, Chanel, 19-21 Old Bond Street, London W1, and 31 Sloane Street, SW1. Chervil scarf, £160, Waris Visoni, 85 Goldborne Road, London W10. Rose-embroidered, grosgrain slingsbacks, £200, Emma Hope, 12 Symons Street, London SW3

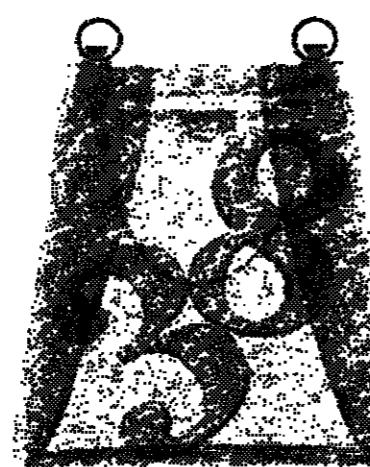
with women - buy it in soap, *amis de toilette* or candles from Harvey Nichols, Knightsbridge, London SW1, or The Conran Shop, 81 Fulham Road, London SW3.

If her luggage is looking shabby and you can't afford a matched set of Louis Vuitton or Mulberry, give her a Carlton suitcase - underlined, clean-lined, tough as

boots. Between £83.99 and £70 from The Conran Shop.

Every working woman needs a tote bag and one of the smartest is by Tanner Krolle (38 Old Bond Street, London W1).

STORE NOW OPEN



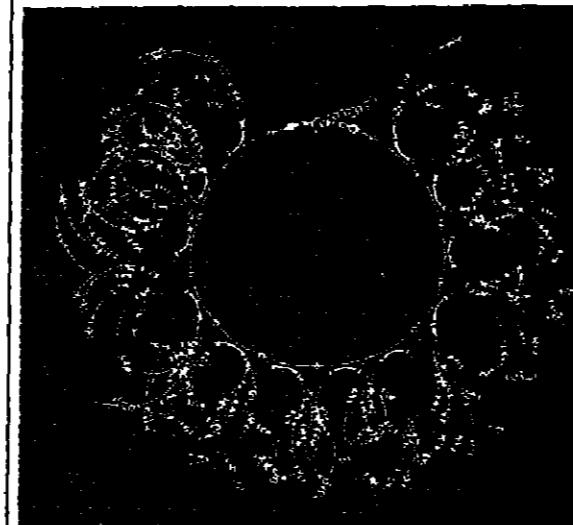
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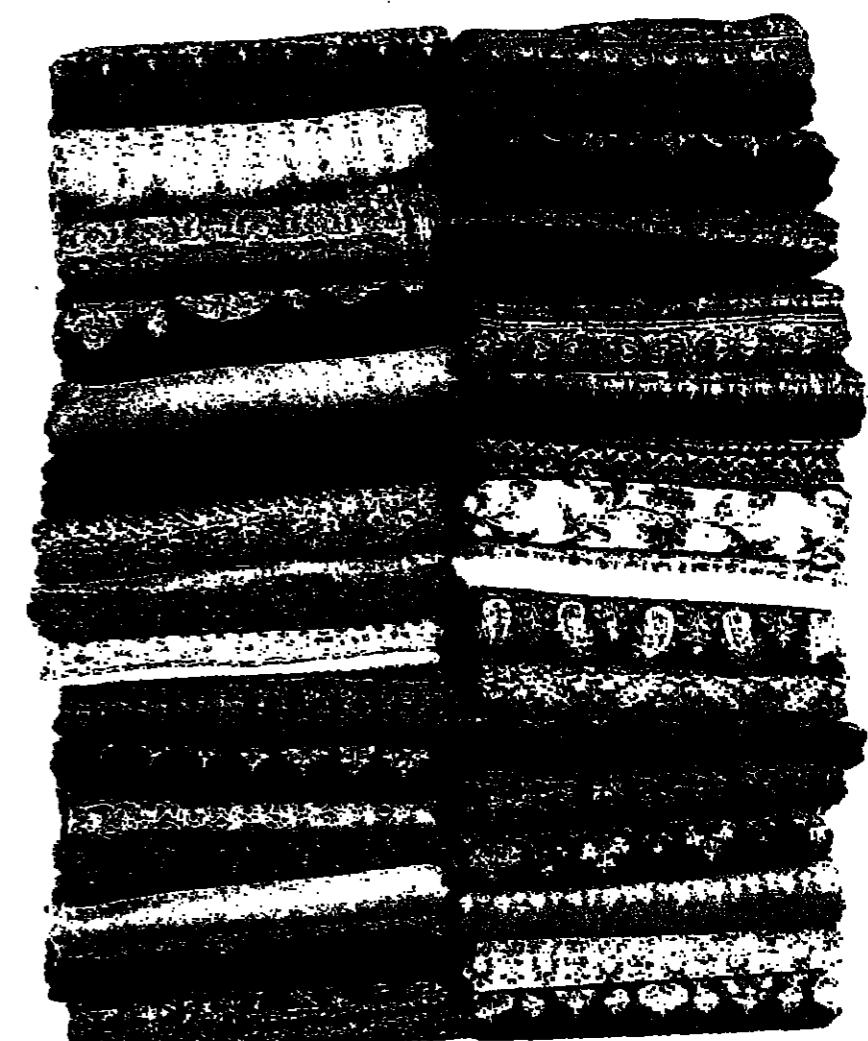
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Antique French linen - monogrammed sheets, tea-towels, tablecloths, napkins - from Jane Sacci (tel: 0171-589 5843)



Kate Wilkin's Crystal lace collar, £195, from The Crafts Council Shop, 44a Pentonville Road, London N1. Prices from £100 to £200



The true pashmina is made of pure wool from the neck and belly of a Himalayan goat

## When only a pashmina shawl will do

**T**his year, as last, the pashmina shawl is still one of the all-time great presents - no woman I know can ever have too many. But when is a pashmina really a pashmina? London stores (and I dare say stores the world over) are overflowing with what are called pashminas but are not always the genuine article - many are combinations of silk and pashmina and the honest stores label the shawls as such.

The true pashmina is made of 100 per cent wool from the neck and belly of the Himalayan goat, Capra hircus, which lives at altitudes between 12,000ft and 14,000ft. A combination of the altitude, a Spartan diet and its genes have resulted in it growing a coat of the softest, warmest, lightest of wools.

Those going to India and thinking of buying pashminas there - which seems like a good idea on the surface - should take particular care as many of the shawls are made of mixed fibres. Unscrupulous manufacturers, for instance, will mix some pashmina wool with "raffia", which is basically just sheep wool.

Give her luxury for the bedroom (or it could be used as a sofa throw) with a Chin-chilla bedspread, £205, from Faridah Palham, 3 Castle Street, London SW1.

For serious luxury for the modern and design-conscious, George Jensen of 15 New Bond Street, London W1, has some wonderful modern glass - a Carlo Scarpa Serpente dish by Venini would set you back £3,825.

The Damien Hirst pop-up book by Booth-Clibborn is £29.95 from most big bookshops.

Take care with underwear - getting it right is far from easy - but I can't think of many women who wouldn't be thrilled with a set of Prada lingerie, most particularly the Charmeuse Slip with cotton tulle trim and Silk Chiffon Body Suit with tulle trim (from £124).

When it comes to jewellery, you're spoilt for choice - hot at the moment are a chakra balancing necklace from Noel Borhorquez (about £12, tel: 0171-228 2061) and anything from Pippa Small, especially the river-tumbled topaz necklace (about £200 from The Cross, 141 Portland Road, London W1).

For the stocking, something to flash - a Versace Compact, £22, so kitch it's cool. Something to read - *How Proust Can Change Your Life* by Alain de Botton (Picador, £12.99). Restoring and Reviving Bath Oils by Aromatherapy Associates, because they really do work. A piece of sodalite (it helps cure hangovers when placed between the eyes), £1.50, from gem shops or the Natural History Museum shop.

weaving herself, choosing top quality pashmina from Kashmir and Ladakh (the higher the habitat, the finer the wool) and mulberry silk from Varanasi. The wool is very finely spun and the shawls are woven with a silk warp and pashmina weft. They are dyed in soft pastel shades (which are the most expensive) and cost £360.

For those who can't afford this quality, there are still fine shawls to be had - another combination of pashmina and silk bought in Kathmandu and which comes in a vast range of colours, everything from the naturals (pale grey, khaki, beige) through to pastels and bright colours. These are £160.

Finally, there are some made from 100 per cent mohair which is the rougher wool from the Himalayan goat. These cost £125.

And if that is still beyond your means, consider one of Joseph's pashmina lookalikes at £75 (from 77 Fulham Road, London SW3).

If you're thinking of buying your partner a pashmina this Christmas, bear in mind that if she hasn't got one, start with the natural "greige" colour. But if she already has one of those, then branch out into something more colourful, relating it if possible to the clothes she already has in her wardrobe.

L.v.d.P.

LONDON BEST



HOLLAND & HOLLAND  
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## OUTDOORS

# Neighbourly incursions into the moral high ground

The Sloane Walleys are plotting against the vixen next door. Robin Lane Fox reports

**M**y two old friends Julian and Veronica Sloane Walley are settling in for their tenth Christmas at the Old Rectory in Sussex since their move from Onslow Gardens in central London on the eve of the last property boom but one. Since those happy days in the mid-1980s, relative prices have reached the point where there can certainly be no turning back.

It is compensation, albeit partial, that this year's garden has grown much better in the relatively kind conditions. Veronica is delighted with her yellow-leaved hedge of Choisya Sundance and Julian cannot understand why more of his friends have not edged their main borders with his low-clipped hedges of Euonymus Silver'n Gold.

He finds it extremely easy to prune with the electric-powered carving knife Veronica kindly gave him the Christmas before last, although she nearly regretted doing so when he turned it this year to the dead-heading of her season's high point, the bed of Marigold Boy-o-Boy mixed which she cleverly picked from the catalogue because of its vibrant and recurrent flowering.

If the garden has been kind, the mood of society has posed more problems. The town-country split has always been painful for the Sloane Walleys, who have never mentally adjusted to the sharp difference between life in Chelsea and West Sussex. However, this summer it became more apparent than usual.

Those who think that the English countryside is a quiet pool of conservatism have never had to cope with the unpredictable fact of

neighbours. In the country, neighbours tend to stay for life. They bring children and prejudices with them. They come pre-armed with a sense of a moral minority.

Both the Sloane Walleys were delighted to read in the Weekend FT in September that foxhunting still commanded intellectual support and is far less cruel than ownership, a wasteful activity for which they have never had any sympathy.

Delight, however, has been

to get lost; he was merely exercising his Right to Roam

short-lived. In late June, the tile-hung cottage next door changed hands at pre-Asian crash prices to Claire Safe Haven who turned up with two children and no visible male member of the family.

On July 10, Julian and Veronica attended the Countrywide Rally in Hyde Park and wholeheartedly endorsed those speakers who claim to hold the moral high ground. They returned home, echoing the words of the one they thought put it best: "We country people do not claim to understand single parents and creches, whereas you town dwellers do not understand our guardianship of the land."

Admittedly, Veronica did remember the unfortunate case of her grandfather's stud groom who sired two children on one of his employer's daughters and continued driving his horsebox to the end of his life, and those events were far away



week when she saw, to her disgust, a pigtailed young earthperson in a pair of combat trousers tipping out chicken carcasses on her side of the communal boundary for the sustenance of her uninvited guests.

Nothing is quicker to arouse indignation in a Sloane Walley than an intruder. Veronica was out of the Old Rectory like a shot and was outraged when her intruder promptly told

her to get lost, because he was merely exercising the privilege, about to be endorsed by the government, known as the Right to Roam. Under forthcoming legislation, he could walk wherever he wanted in New Britain's people's asset, the countryside. As far as he was concerned, that countryside began with the Sloane Walleys' orchard.

The Right to Roam has always unsettled Veronica

as she has increasingly suspected that it is something which Julian exercises mid-week when staying in their tiny flat near Victoria. In rural Britain, it strikes her as the ultimate Labour lunacy. Hoards of ignorant walkers will simply course their way through lambs, animals in calf and Sloane Walleys sunbathing topless without any education in the ways of the countryside or the slightest respect for the obstacles which land ownership puts in the way of its owners' free enjoyment.

The trouble with ramblers is that the balance of power is unequal. It did occur to Veronica to respond in kind and pitch camp on the Safe Haven's mammal-pick-up area at the back of the patio, but she feels that the answer is to rouse Julian to stern action. After the recent upheavals in his special sector, the Asian markets,

Julian has been uncharacteristically wet at the weekend. Veronica, however, has found a new way of stiffening his resolve.

The Sloane Walleys are always on the lookout for new style guides to living, and this year they have joined the growing number of English fans who have belatedly joined the transatlantic fashion for the taste and tricks of Martha Stewart. Some years ago, Veronica's best friend in Chelsea married a man in Morgan Stanley and had a Martha Stewart wedding in which the dominant theme was sugar pink and all the tablecloths were embroidered with sequin stars.

This year, Julian brought home Martha Stewart books on gardening, the area of American decor that has so far resisted invasion. Her advice on paths, composting and colour-planning struck a chord with the Sloane Walleys' visual preferences, but she gave no advice whatever about pest control, let alone about the problem of neighbours or the invasion of foxes with encouragement from over the fence.

Veronica has now discovered that the unfailingly and eminently placid Martha Stewart is, by at least one account, supposed to have another tougher side to her manicured personality. The aptly titled *Just Desserts* by Jerry Oppenheimer (William Morrow, £17.99), a collection of tales of the tabloid type, has greatly enlarged her understanding of Julian's latest choice of style heroine.

Part of the book tells of an incident involving a neighbour's gardener who filed a claim against Martha, alleging that she tried to mow him down with her car. A prosecutor in Suffolk County, Long Island, has decided not to press charges, though the lawyers could still have their day in the civil court.

Admittedly, this brusqueness has yet to make it into any of the Queen of Design's guides to fashionable living, but Veronica is hoping that before the new year it will serve to spur her husband to action.

If he can take the Land Rover down to gas the foxes in residence, he can surely be inspired by his Christmas reading to go for it through the boundary and run over the neighbours whom she wished she had never been given.

After all, the Right To Roam is a double-edged weapon. An eye for an eye and a tooth for a tooth; those who exercise it can expect to be repaid in kind.

## ...update...

**■ MATURE SKIERS** in search of a less aggressive and competitive time on the snow might find gender landings with Classic Ski, which specialises in skiing holidays for those aged between 36 and 70. The company says many clients are first-time or returning skiers. Tel: 01703-212144

**■ CHANNEL VISIONS:** Ski by train this winter. Eurostar has started a direct service to Moutier and Bourg St Maurice in the French Alps, running every Saturday until April. Prices start at £129 return, and on some December and January services, a child aged 4 to 11 may travel free with a fare-paying adult. Book on 0345-303030 (local rate calls). For details on the "Kids Stay & Ski Free" promotion at some French resorts, call the French Tourist Office on 0891-244123 (50p a minute).

**■ LUXURY LODGE:** Meriski chalet specialist opens the Lodge at Burgin this month: eight bedrooms with en suite bathrooms, satellite TV and phones; choice of menu and wines. Guests in opening week, from today until Saturday December 27, will get a celebration party, champagne, presents and carols on the balcony; £945 for the week including flights. Call 01451-844788.

**■ GO WITH THE SNOW:** Information on snow depth, lifts open and general conditions in resorts around Europe and North America is available from the Ski Club of Great Britain's hotline - 0891-700333 - at 50p a minute. From the end of December, reports will be updated daily.

John Westbrooke



Ready for the off: there are easy runs, but they do not give Taos its uniqueness

## Skiing

# Snow, steep slopes and salsa

Roger Bray enjoys the atmosphere of a very different resort

around the empty square, shadowed by two policemen, barking orders into a walkie-talkie, grumbling at a group of young skiers who had sloped off-piste among the pines, apparently to smoke cannabis, and, in what had begun as an inspired publicity stunt, rooting for Martini flasks he had hidden beneath trees for visitors to dig out.

A man of original charm, he came to the US from Germany with his family as Hitler hysteria built to a frenzy and later interrogated Nazi war criminals. A cantankerous purist, he sacked people one minute and reinstated them the next and once even resisted the building of chair lifts, because he feared they would attract too many duff skiers.

Downtown, on Taos Plaza, which was built by Spanish conquistadores, I ate salsa so hot they could have tortured Protestants with it, and watched an inebriated Pueblo Indian weave his way

seized by the police in London. They hang in the La Fonda hotel, whose late owner, of Greek origin, had suggested Britain should take them back as a substitute for the Elgin Marbles - which should be returned to Athens.

There is still splendid Mexican food to be had and, like the salsa, there are surprises. This time it was the Margarita grande at Tim's Chile Connection, \$5 a time and big enough to stage the America's Cup in.

Famous for being notorious rather than for their expertise, and about as erotic, by present standards, as Mills & Boon, they were brought there after being

entirely in the spirit of the place: walls festooned with dried peppers, customers in the studiously scruffy uniform of the artistically creative, and better croissants than you normally get in France.

The Ski Valley had been incorporated as a town, and was now able to raise its own taxes, and Blake's son-in-law, Chris Stagg, whom I recalled teaching guests how to race gates, had greyed a little and was its first mayor.

A smart new eatery, the Phoenix, had replaced the last Schwandi, which burned down in 1979, allowing skiers

to loot heat-warped cans of still drinkable free beer from its charred remains, and the base area had been revamped.

Staff grilling burgers at the sundeck barbecue, faces tilted upwards, held French fries between their teeth, waiting until Clark's nut-crackers, scavenging birds known as camp robbers, swooped to snatch them.

But the changes seemed cosmetic. The soul of the place, its extraordinary skiing, was as pure as I remembered. It may have been encroaching age but some descents seemed to have become even tougher. That

A bath

delicio 150

## TRAVEL

# In Outback Australia with the mailman

Walter Glaser joins a postman who works in some of the loneliest country in the world

## Information

**W**hen it could be 40 miles (64km) or more to your front gate, picking up the mail can be a bit tricky. Just as well, then, that most larger Australian inland cattle stations have their own rough, light-aircraft landing strips - just one of the ways in which life in the Outback is unique.

Children go to school by tuning in to farm radios for lessons, sometimes only meeting their friends once or twice a year. Men ride hundreds of miles each week checking and mending fences. Surprisingly, in such a lonely and harsh environment, cattle thrive. And everyone looks forward to the weekly mail that arrives by light aircraft.

We began our journey at the town of Port Augusta in south Australia. The six-seater, twin-engined Aero Commander aircraft had three seats piled high with mail and a little freight. The other three seats were available to tourists like ourselves. In the next two days we flew north, stopping to deliver to Outback hamlets and cattle stations, often being the only visitors from the outside world that week.

It was early summer and even at 8.30am the day was already hot, at more than 30°C (86°F). Inland South Australia is prone to temperature extremes, consistently hot and dry in the summer, from November to April, and almost freezing in the August winter.

Within minutes of take-off we were flying parallel to the starkly beautiful Flinders Ranges, and heading into the great loneliness of the sparsely populated Australian Outback.

The white salt-pans of Lake Torrens appeared on the left. Do not let the word "lake" fool you. At that time of year it was a dry, shimmering-white stretch of salt.

Central Australia was once covered by ocean, and the salt and sand were left behind when it receded.

Now, on the few occasions when it does rain, flash floods carry water, sand and salt down to the area, small fish miraculously appear, breed in vast schools, and provide food for pelicans that come to breed on the lake shore.

The birds fly back to the coast, and the fish die as the lakes again dry up. The water sinks back into the sand, disappearing and leaving the surface salt until, six or seven years later, the cycle is repeated.

We were then well into the hinterland of South Australia. Vegetation grew sparser as we flew over countless dry river beds, some lined with trees that doggedly survive from one rare rainfall to the next by sending their roots deep and shedding most of their foliage to conserve moisture.

Ironically, below that hostile environment lies the great Australian Artesian Basin, a strata of underground sand holding huge amounts of water that make it possible for Outback cattle stations to exist.

Experts say the water is the result of rainfall in the New Guinea Highlands which has flowed subterraneously to come to rest in the Great Artesian Basin. In some areas there is too saline for crops or cattle, but in others it is quite drinkable.

Homesteads, as the Outback cattle stations are called, are always located near the tree-lined waterholes and riverbeds. When they dry during summer, bore water is pumped to supplement or replace the un-



The mail must get through: loading up at Port Augusta at the start of the trip

reliable river flow. Amazingly, in such inhospitable terrain, free-range cattle not only survive but produce some of the world's finest organically-grown beef.

Our first stop was Leigh Creek, the end-of-the-railway-line to the region. A company town, all 1,100 inhabitants work for the South Australian Electricity Commission in the open-cut coal mine that is the township's reason for existence. We refuelled, loaded more mail and headed north for the individual cattle stations.

Below us, remnants of the Flinders Ranges ended with lines of jagged hills. Sparse vegetation appeared again as we landed at Mooloolatanna, a relatively small cattle station covering 485 square miles. There was nothing else there. No shops, no schools and not even that great Australian essential - the Outback hotel, and saloon, known as "pub" in Australia. Homesteads must be the loneliest places on earth.

A four-wheel-drive Toyota pulled up to pick up the mail. The driver put his hand across his face the moment he saw our camera. Our pilot told us that the man did not like to be photographed, and I was not surprised.

The Outback is full of strange characters - recluses, illegal migrants, and men-on-the-run from irate or demanding families back in the big smoke. The person who lives and works in the centre is often not able to handle the pressures of life in Australia's large coastal cities, but then the same can apply vice versa. As we flew further inland I noticed some small steel structures randomly in the desert below - oil wells. Just then our pilot announced that we were coming in to land at the Moomba gas and oil field.

Moomba is so prolific in natural gas that it supplies the total requirements of

the place - with them come a supply of portable toilets, food stalls and souvenir sellers.

Accommodation is in tents and sleeping bags alongside four-wheel-drives and under the wings of the 100 or so private and chartered aircraft that arrive for the occasion.

Birdsville's small thermal power station uses the energy from hot underground water which is then piped to all homes and used for all heating and house hold purposes.

Outback Australians seem to dislike drinking water, using the tired excuse that they never drink anything fish have made love in, so truckloads of beer arrive for the races. Thirst levels were summed up by a sign on the wall of the Birdsville Pub: "Try our seven-course meal - a six-pack of beer and a meat pie."

We said goodbye to the

drinkers at the Birdsville pub and reboarded our aircraft. Soon we were stopping at other stations just to touch-down and drop the mailbags. As the sun was setting, we landed at Bourke, our northern-most stopping point. The next day we turned around and flew back to Port Augusta.

As we returned to the big-city comforts available there, we could not help thinking of the early pioneers who settled the Outback before aeroplanes, electronic communications, electricity and modern transport.

No wonder the great Australian Poet, Henry Lawson, wrote in 1892 in the poem *Up the Country*: "Nothing - Nothing but the sameness of the ragged stunted trees! Lonely hut where drought's eternal - suffocating atmosphere - - Where the God-forgotten squatter dreams of city life and beer..."

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## less city

comes over western visions

Morchie's Knee was in a state of high excitement. A horse breeder and dealer needs sensitive antennae. Connemara ponies are not a commodity to be traded like pork bellies or sofa futons.

Morchie had smoked out a more than promising stranger on the ropes of the show-ring: an Ohio businessman with a fat wallet and a need for new mares for a breeding programme.

Mind you, at an affair as intensely Irish as the Claddaghduff Pony Show, a well-heeled mid-westerner does tend to stand out in the crowd, despite this part of the west of Ireland being popular with European and transatlantic visitors.

They largely come for the

scenery and the hospitality of the numerous country house hotels rather than to observe the equestrian revels of the natives.

"We do get the real enthusiasts coming from abroad to buy their ponies. They still prefer an Irish-bred Connemara to one from their own countries, however good the bloodlines," confided Morchie, himself a visitor from the village of Cashel, several bays and promontories east of Claddaghduff. "But they mostly come to the big shows like Clifden in August."

Connemara's village pony shows are as different from a home counties gymkhana as it is possible to imagine.

Instead of well-bred gels with long vowels and even longer legs encased in skin-tight jodhpurs, there are stocky middle-aged men with barrel chests and soft voices who handle their foals as if they were premature babies.

"There's just a very few in it for the money, although a good three-year-old can make £5,000 or £6,000 in Germany," said Thomas Connealy as he led the young

stallion Ervelough Oscar from the ring.

"For the most of us, it's just a lovely hobby to breed the ponies. My father did before me.

Although I've seven sons and all they're interested in is the wages at the end of the week."

Beneath the field where the show was under way, and visible from the windows of Sweeney's excellent pub-cum-post office, spread the sand beaches and inlets of Inish Bay. Connemara is a region where land, sea and sky jumble together.

When one of the frequent

mists rolls in from the Atlantic, leaving just a glimpse of Maumturk mountains, there is a feeling of utter remoteness.

To some extent, the Irish have encouraged this glorious inaccessibility. The smooth trunk roads and wide dual-carriageways funded by EU grants seem to end at Galway, the regional capital of the north-west.

From there on to smaller centres like Oughterard and Clifden, the highways become narrow and obscure. Of course, with the hedgerows bursting

with wild fuchsia, it would be a crime to hurry too much.

The Connemara National Park has an excellent visitor centre near Letterfrack. Besides a permanent exhibition on the Connemara landscape and indoor and outdoor picnic areas,

there are regular guided walks and talks on weekdays in July and August, including one on the Connemara Pony. Other subjects include wild flowers and the Great Famine.

Nowhere is the sea very far from everyday life. As we left Claddaghduff, the tide was

ebbing to reveal the sand causeway to Omey Island, site of an 8th-century monastery. Connemara was old enough to remember pre-war pony races along the strand and huge crowds of punters gathering to back their favourites.

Later, at the hotel library, I discovered a 1936 account of a local race: "One rubbed shoulders with gentry, clergy, country shopkeepers, civic guards and peasants in soft hats. Their wives with vast tweed skirts and scarves could be seen alongside young society flappers with bobbed hair and lipsticked lips. When the racing was over, the tide obligingly came in and regattas were held."

Connemara Tourist Information, tel: 00 353 95 41117, fax 00 353 95 41196.

## TRAVEL

## A jumble of land, sea and sky

Keith Wheatley visits a pony show in Connemara, one of the remotest regions of Ireland

## Just another date with Destiny

John Gapper enjoys the slow pace and hospitality of Tobago, an island with charm to spare

By the waterfront at Scarborough, next to a cane juice stall, we had a date with Destiny. It was a typical Tobago encounter, as we were learning, commencing with a greeting, moving into unburdened conversation, and culminating in an offer of home cooking and a cheap tour of the rainforest.

Destiny (aka Crackshot, aka Keith Waldron) was atypical in at least one respect. Tall and dreadlocked, his first request when he discovered we were British was Channel Four's fax number. He wanted to chase up the presenter Janet Street-Porter, who had him for a documentary.

Yet half an hour later, in his tin-roofed home, sipping a fruit juice and reading Keith's script for a film starring himself, it was life as usual. "We've got a little more time here, you know what I mean?" said the aspiring singer, who sells his tapes for \$10 on the island's beaches.

Four days after arriving in a late season storm, with the rows of coconut trees on abandoned plantations being tossed by the wind, we were getting the idea. All you need to enter a house in Tobago is to meet its owner and he was living alone in

in the street and exchange a few words. A genial sales pitch follows.

The most obvious reason for Tobagonians to have time on their hands is the island's lack of industry compared with its near-neighbour Trinidad. Its inhabitants depend on the influx of tourists each season and most are eager to strike a deal with a visitor to earn some extra money.

Yet unlike some more northerly Caribbean islands, so used to mass tourism that the locals have become disenchanted with visitors, Tobagonians remain affable. All offers, including those made by the local men to women tourists sunbathing on beaches - are made courteously.

Our first introduction to this came from George, a 67-year-old taxi-driver who took us to the beach at Pigeon Point on our first day. He started driving after retiring from the police, and escapades such as hiding in a tree at night, offering running commentaries on island life.

How long such harmony lasts is another matter. Tobago is making more of an effort to sell itself these days. The locals are coming to see the potential of its tropical rainforest and white sand beaches. Direct flights

from the UK are starting to test the charms of what was a tourist backwater. Tobago has plenty of charms to spare. Most hotels and night-life are confined to the north-east corner, by the Store Bay and Pigeon Point beaches. Yet by hiring a jeep for \$140 a week, one gets the run of the many crescent beaches fringed with palm trees, such as Englishman's Bay.

It is not very easy to get around. A two-lane highway by Scarborough on the south coast offers a rare chance to drive in comfort. Other roads are looped, pot-holed and full of sudden detours that can land one in the middle of territory from which it is hard to escape.

George had first-hand experience of the lack of employment on Tobago. Five daughters and two sons had left home - three to take jobs in Britain and the US - and he was living alone in

Plymouth. His wife was shortly due to retire from teaching in Trinidad, where she had worked since 1987.

This left him with plenty of time to spare. One result was a tendency to drive extremely slowly, loping down to the beach at barely more than a walking pace. Another was a willingness to be called out at all hours of the day and night, offering running commentaries on island life.

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The more energetic can tramp through the rainforest itself. It can be hard going, but there are plenty of guides eager to lead visitors into the wilderness. As dusk falls, flowers and the bright plumage of birds are replaced by the glitter of fireflies and the whoop of tree frogs.

The simplest pleasure is to drive along back streets named after English towns. Each afternoon, bus stops throng with schoolchildren in bright uniforms, evoking an image from the past in the Britain from which Trinidad and Tobago finally gained their joint independence in 1962.

If schools and churches suggest a colonial timewarp, Sunday School shows that something is going on beneath the surface. Sunday School is the name given to the jump-up - dances night-held each Sunday at Buccoo, an event that draws a crowd from all over the island.

At Sunday School, a dense crowd of teenagers sways to the reggae beat

rainforest, and later ate shrubs and rice at a stall overlooking the beach at Speyside. Tobago offers many such opportunities to while away the time.

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rainforest, and later ate shrubs and rice at a stall overlooking the beach at Speyside. Tobago offers many such opportunities to while away the time.

We drove the back streets of Plymouth until our headlights illuminated a group of youths with whom we bargained for a while before striking a deal.

Ten minutes later, we handed over \$2 for an enormous sack of coconuts for which one of them had shinned up a tree. The boy was a "sprunger" we were told, local dialect for those who sell coconuts for the cash to buy drugs. In exchange for coconut milk, he could buy cocaine.

John Gapper flew to

Tobago on Caledonian Airways and stayed at the Arnos Vale Hotel, which is represented by Unique Hotels Caribbean in the UK. Tel: 01433 833801.



Tobago is making more of an effort to sell itself; signs of a new world are beginning to intrude

## Spires and Spirits

## Eminent and ethereal Lincoln cathedral

Adam Hopkins sings the praises of a medieval masterpiece

When it comes to Lincoln, you really have to start with the cathedral. There is no other way.

The topographical artist Samuel Buck put it almost in the sky, the point from which all else naturally flowed, in an elaborate etching in 1724. Thomas Girtin, watercolourist, popped it in the middle of his little painting round about 1785, before an early death removed his talent from the scene; and Turner of course put it in, too, in the upper portion of 1803 or thereabouts, with boat-builders in the foreground and a good deal of romantic elan overall.

L.S. Lowry pretended he was not going to grumble about "not doing another Turner", then he too put it in the centre of the skyline, even if only in ghostly outline.

Daniel Defoe explains exactly why. "This Cathedral is in itself a noble structure," wrote the author of *Robinson Crusoe*. "Its situation indeed is infinitely more to advantage, than any Cathedral in England, for it is seen far and wide; it stands upon an exceedingly high hill and is seen in five and six counties..." (Four

through the Whole Island of Great Britain, three vols, 1724-35).

What with one thing and another, there are fewer cathedrals about in 1997 but the inner truth remains. For until you see this three-towered, early medieval structure rising in limestone pell-mell from its great eminence, ethereal against the sky - in the Midlands, for heaven's sake, within half an hour's driving time from the flatness of the Fens, you simply cannot conceive of the beauty, indeed the nobility, of its situation.

All the paintings mentioned, and many other views of Lincoln, may be seen in the Usher Gallery, Lincoln Road, on the slope below the cathedral.

For further information on the city, including weekend breaks, contact the tourist centre, 9 Castle Hill, Lincoln LN1 5AA. Tel: 01522 522622.

The lower half of the same front is as the case with so many British cathedrals, is wrapped up in restorer's wood and plastic, will be for years. Curse, when it comes to photography.

But you can tell from my tone that these are merely the grumbles of one who is deeply satisfied.

It is lovely to potter about the cathedral exterior in Lincoln, lovely to potter about inside. In one window in the south transept, you can see King David faking madness.

In another, in the north transept - a second world war memorial window - a New Zealander stands in flying jacket, waiting to go on his mission.

And there is Sir Joseph Banks, in the same chapel, botanist and local hero who went to sea with Captain

Cook. At the back of the cathedral, paired with the king but looking away with a modest gesture, is a statue of Edward I's wife, Eleanor of Castile, who died after 13 pregnancies and 35 years of marriage.

I have loved her tenderly while she was alive and I do not cease to love her now that she is dead," said the king, before removing her body to London, erecting a cross at each of the stations where the coffin rested. Only three survive; there is a bit of another, supposedly, a very nice half of a female form with flowing raiment, in Lincoln Castle, near the cathedral, built on the same hilltop, also by the Normans.

"That's what I like so much about Lincoln," says Rob Bradley, who works for the city's tourism department.

And there is Sir Joseph Banks, in the same chapel, botanist and local hero who went to sea with Captain

Whitham bellies out to form the natural lake of Brayford Pool. That is where the Celts settled, followed in due course by the working folk of the locality.

Their efforts eventually made lower Lincoln into a major engineering city, specialising in heavy agricultural machinery. It was they who built the first 200 tanks ever to see service, in the first world war. They were disguised during manufacture as "water-carriers for Mesopotamia" hence the name "tank". The key to the new war machine, of course, was the caterpillar track, already invented there pre-war, to cope with the heavy soil of Lincolnshire.

The lower part of town is a humdrum, friendly place, row on row of little brick houses, with warehouses, with

round Brayford pool and what still look like long low, engineering sheds. People wheel their bikes about, just as they do in L.S. Lowry's Lincoln picture. That is not all, for there, on Brayford, stands a new university, purpose-built, the country's first for many a year, opened in 1996. Universities mean students, students mean young life.

"You couldn't exactly say we are pickled in the past," a restaurant-owner told me. "We used to be a bit. But now we are almost a happening kind of place."

For the present, most of the happening is at the bottom. As for the top, the Romans were the first to settle on the upper ridge, initially in a single small square, then pushing down hill, southwards to the river.

Plenty of everything, just as Rob Bradley says. And not forgetting the cathedral.



Lincoln: You simply cannot conceive of the beauty, indeed the nobility, of its situation' Greg Evans

with a large outer precinct. You can find all kinds of Roman bits and pieces up round the cathedral, one gate still actually standing, although a lorry hit it, hard, back in 1966.

Astonishing photos of the event survive, the lorry deeply embedded in fallen masonry. There are Roman walls and the foundations of Roman water reservoirs. Dark cobblestones mark the spots where the columns of the Roman basilica once stood, their remnants now 9ft below ground. They run along Bailegate up past the castle, then disappear under the Baker's Oven and Rose's (sic) Marcel Lingerie.

What a pleasure, what a laugh it is. There are even, apparently, standing chunks of column in the basement at no. 21 Bailegate (ring 542717 or 544390 for a special appointment to view).

Naturally, of course, the upper part of town was posh, for this was where the power - and the glory and the money - lay, under the Romans, Normans and the rest.

When the chaps from the War Office came from London to see the plans for the new tank, they saw them, naturally, not down in the factory but in a room on the first floor of the White Hart Hotel, right by the cathedral gates and still a most engaging establishment. And this is still where you go for the smart restaurants - the Jew's House, Wig and Mitre and even Brown's Pie Shop, where Lawrence of Arabia lodged in the 1920s, lightly disguised as an aircraftsman.

Plenty of everything, just as Rob Bradley says. And not forgetting the cathedral.

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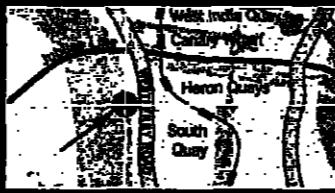
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## FOOD AND DRINK



Fish for sale in Istanbul: 'How, in heaven's name, do you get stuffing inside a mussel?'

## Cookery

# A festive and homely fishy fume

Philippa Davenport opts for a truly British classic on a special night

Even if fish shops in the UK open their doors between Christmas and the new year, not many boats are likely to put out to sea then, and the weather has a habit of ruffling British waters following the turn of the year. So now may be the last chance for a while to tuck into top quality fresh fish.

Here are a couple of suggestions for making the most of it before the traditional 12-day marathon of meat and sweet eating Christmas indulgence gets seriously under way.

### JERUSALEM TART WITH SCALLOPS AND BACON

(serves 6)

Nutty tasting Jerusalem artichokes and delicately sweet scallops go beautifully together, but this tart also goes well on its own as a preface to or as an accompaniment to, cold Christmas turkey and ham. Vegetarians may enjoy the tart scattered with a handful of flaked (or nibbed) and toasted almonds instead. The tart looks best if made in a 20cm *moule manqué* - a fluted Dan tin that is 4.5cm deep and measures 19cm-20cm across the top. Most of the preparations can be done well ahead.

9-12 scallops (depending on size); 125g-150g very thinly cut streaky bacon (ask your grocer or butcher to set the blade to no. 2 on the slicing machine); 225g-250g trimmed weight Jerusalem artichokes (allow 300g when buying at the greengrocer); a clove of garlic; 300 ml whipping cream (or 1 x 284 ml tub of whipping cream plus 1 tablespoon milk); 1 large egg plus 2 egg yolks; 15g flat-leaf parsley; 2 tablespoons freshly grated Parmesan cheese.

For the pastry: 150g plain flour; 125g unsalted butter; 30g Parmesan cheese; sweet paprika and cayenne; 1 egg yolk (optional).

Grate the Parmigiano finely for the pastry. Stir it into the flour with a seasoning of salt, paprika and cayenne. Cut then rub in the butter and bind with 2 tablespoons cold water (or the egg yolk plus a drop of water).

Wrap and chill the pastry for 30 minutes before using it to line the tin. Prick the pastry base and cover the sides with foil to protect against burning during baking. Chill for 30 minutes more before blind-baking for 20 minutes or so on a hot baking sheet at 190°C (375°F) gas mark 5.

Remove the foil for the last few minutes to firm up and colour the pastry rim, and brush the pastry base with a little raw egg white to seal the surface and so prevent the filling from making it soggy.

Once again I order a strong, hearty glass of tea. The waiter brings it and places a large glowing coal on the plinth of tobacco in my pipe. I sip and puff and once again address the challenging question of *kef*.

In truth, I have been so busy enjoying myself I have stopped asking what the word means. Eating is much more than simply the food you consume. It is the company you dine with, the surroundings you are in, the state of mind you bring to the table.

That is all very well, I protest silently, but more than a little vague. At the same time I order tea from a waiter circulating between the quayside tables of drowsy, whisky, bead-fumbling Turks. It arrives as promised, in a tiny tulip-shaped glass, strong, milkless and hearty.

I sit and watch fishing boats,

### CULLEN SKINK WITH OYSTERS

(serves 6)

Cullen is a small port on the Moray Firth, traditional home of this fish soup-cum-stew. The classic dish uses mashed potatoes and onions. I prefer chunks of potato and leeks, and for this festive version I have added oysters, an idea inspired by an exquisitely delicate barley broth with smoked haddock and oysters served by Phil Vickery of The Castle Hotel, Taunton. I shall probably serve this for a simple homely supper on Christmas Eve, with salad and cheese and mince pies to follow.



1 kg finnan haddock (or 500g undyed smoked haddock fillets - but fish on the bone will produce a richer flavoured soup); 1-2 dozen oysters; 500g floury potatoes; 150g trimmed weight leeks (tender green parts as well as white); 1 litre Jersey or other rich (gold top) milk; 50g butter; 3 bay leaves; a bunch of flat-leaf parsley.

Put the fish into a saucepan with the bay leaves, milk and 250ml cold water. Bring very slowly to simmering point, cover and set aside for 8 minutes. Meanwhile chop the cleaned and trimmed leeks into 2cm lengths; peel the potatoes, dice half to two-thirds of them, grate the rest coarsely. Melt the butter in a soup-pan and film the vegetables with the fat, stirring and turning them frequently to prevent sticking.

Lift the finnan out of its liquor and set it aside in a covered bowl to cool without drying out. Pour the fishy flavoured liquor into the soup pan and bring to simmering point stirring all the while.

Half-cover and cook gently, stirring occasionally, for 10-15 minutes until most of the grated potato has disintegrated, thickening the liquid to a cream, and the rest of the vegetables are nearly tender. (Everything up to this stage can be done well ahead, as can skinning, boning and flaking the fish. The oysters are best shucked, their flesh chopped into halves and their juices strained, within an hour of eating.)

Shortly before serving, discard the bay leaves, add the flaked finnan to the soup pan and reheat gently, stirring every now and then. This and flavour the soup with some or all of the oyster juices (the juices can be boiled first in a separate pan to reduce them if you want their flavour but not the full volume) and season with plenty of pepper, plus some salt if the soup needs it. Finally, stir in the oysters and parsley, cover the pan, switch off the heat and let the stink stand for say, 20 minutes.

Like most custard tarts, this is to have the public weaned on to nitro keg beers." Hooray. JJ

Last-minute Channel shoppers may be interested in *Mille Vignes*, a British independent wine shop in Wimereux near Boulogne, owned by London silversmith Grant McDonald. In the latest *Channel Hoppers Guide*, *Mille Vignes* is winner of the Best Cross-Channel Wine Outlet, and Best Cross-Channel Red and White awards. *Mille Vignes*, 90-94 Rue Carnot, 62930 Wimereux. Tel: 03 21 32 60 13 or fax 32 56 37. JJ

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## Real Turkey at any time

Nicholas Woodsworth finds that his interest in food overcomes most barriers

**I**t is the middle of the afternoon on the Bosphorus, and the position of the warm sun precisely indicates that we are at the dead, most listless point of the day - the sense of contented well-being produced by a good lunch is fading and a wakening interest in dinner has yet to show itself.

### Sariyer

Trusty guidebook in hand, I am sifting a foot from the edge of the quay in the fishing port of Sariyer and contemplating the meaning of the Turkish word *kef*.

My guidebook may not be so trusty after all. "Order a tiny, tulip-shaped glass of hearty Turkish tea," it advises. "Enjoy the pleasant surroundings, think over the day's good times, and let it all come together: that's *kef*."

But what, I wonder, does the word actually mean?

"There is no adequate translation," my guide comments. "Please, contentment, positive outlook, relaxation? It is all part of a normal day in Turkey."

That is all very well, I protest silently, but more than a little vague. At the same time I order tea from a waiter circulating between the quayside tables of drowsy, whisky, bead-fumbling Turks. It arrives as promised, in a tiny tulip-shaped glass, strong, milkless and hearty.

I sit and watch fishing boats, waiters wrestling live Black Sea turbot into nearby restaurant tanks, berry-brown men repairing nets in the sun. I am always happy sitting at a table where people are preparing, talking about or - best of all - eating food. But is that *kef*? That will take a question, I decide, that will take some mulling over.

### Cicek Pasaji

An evening or two later I meet a florid-faced gentleman in the

Cicek Pasaji

and the

men in the

baggy suits,

watch life go

by in the street

child-like words and gestures

how much we enjoy eating and

talking. Food, I am shown yet

once again, surrounds even the

highest of barriers.

**Eyup**

I have spent most of the morning

visiting the tomb of

Sultan, a popular pilgrimage site

at the end of the Golden Horn,

and am dying for a little refreshment.

Wandering just a few yards

from the hectic and noisy

mosque area, I abruptly find

myself in rural Turkey. Here is a

quiet, dusty street of crumbling

old wooden houses, shady trees

overhanging an outdoor fruit

market, and the Yavuz Cay tea

shop has booked up a tele-

phone line for the

whole day.

**Mustaphapasha**

You do not even need a table to

enjoy food in Turkey. Just out-

side the railway station of Musta-

phapasha, a working-class sea-

side quarter of Istanbul, I

discover a sidewalk stall selling

mussels, still selling

fish, still selling



## MOTORING / SPORT

## Road Test

# Load-lugger with a touch of class

Stuart Marshall finds an affordable compact estate

**E**state cars come in two main kinds: load-luggers and lifestyle enhancers. The former sacrifice styling to maximise carrying capacity. The latter give up some interior space for the sake of their looks – but will still carry things too bulky for any booted saloon or some of the sleeker hatchbacks of similar size.

It seems that load-lugging estates pure and simple might be an endangered species; endangered, that is, by the multi-purpose vehicle (MPV). Volvo has knocked on the head its old rear-wheel drive estate, a big, boxy car that was the darling of the antiques trade.

It had all the elegance of a 40ft container but, rear seats folded, was unmatched for carrying capacity since the earlier demise of the Peugeot 505, which even provided three forward-facing rows of seat.

Ford, Citroën, Mercedes-Benz and Vauxhall still produce large Scorpio, XM, E-Class and Omega estates. In the load-lugging class, Peugeot now has only the 906 MPV, a good vehicle if hardly a successor to the 505 estate. Buy-

ers of smaller, stylish estate cars, however, are well catered for. Few combine elegance and carrying capacity as well as the Citroën Xantia. For prestige, the BMW 3-Series Touring (an estate in all but name) is unmatched, though Audi's A4 Avant is snapping at its heels.

The environmentally aware can drive it with a clear conscience because its exhaust emissions are 20 per cent lower than the European Union standard and its fuel consumption remarkably low.

During an extended test of a Vectra CDX turbo-diesel estate, using it as a typical private buyer might, I averaged 44.18mpg (6.4/100km). I am not a tyre squeaker at traffic lights but nor do I hang about on motorways. The Vectra also had a great many short runs after cold starts and more than its fair share of being driven in slow traffic.

For much of the time it was quite heavily loaded and during hot weather the air-conditioning – fitted as standard to all Vectras bar the cheapest entry model on which it is an optional extra – was permanently on. On a long, unhurried journey, better than

50mpg (6.6/100km) was easily achieved. So, full marks for the Vectra TDI's fuel economy.

Unlike many of its rivals, the original Vectra TDI lacked an intercooler, which is a heat exchanger reducing the tempera-

ture of the air leaving the turbo-

charger's compressor and thus

improving combustion efficiency. An intercooler is now available on Vectra TDIs, increasing engine output from 82 horsepower to 100 horsepower.

The effect on fuel consumption is marginal (an increase of about 3 per cent) and exhaust emissions are unaffected but the power boost is considerable. Unlike the original Vectra turbo-diesel's

original

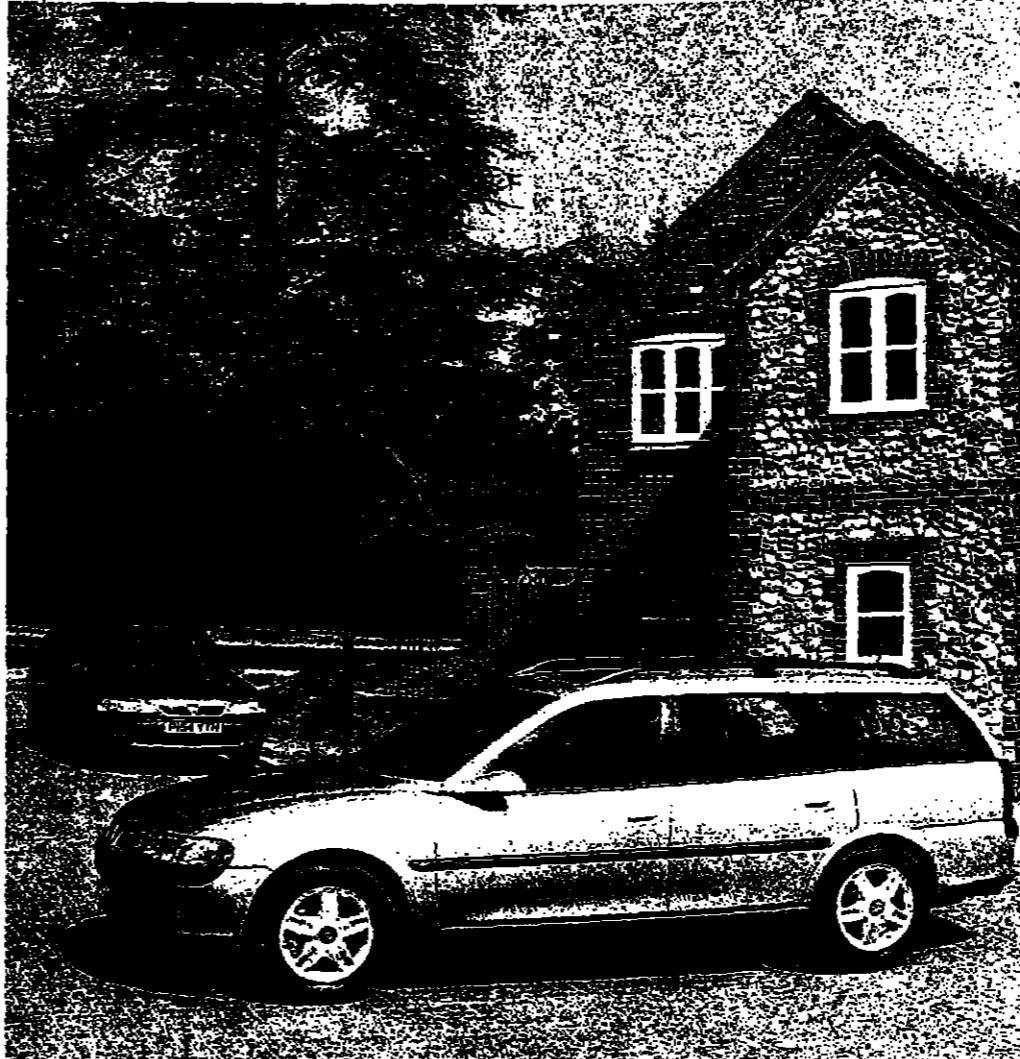
Vectra

isadequate

cheaper

alternative to a

3-Series touring or A4 Avant.



The Vauxhall Vectra estate: an adequate – and cheaper – alternative to the more prestigious marques

## Exhaust emissions and fuel consumption are both very low

Prices are in the £17,000 to £25,000 range. There are, of course, plenty of more affordable cars in the same compact, slightly sporty niche. One of the best is the Vauxhall (Opel) Vectra estate, priced from £13,960 to £21,500.

Vectra estates are powered by 1.6-litre and 1.8-litre four-cylinder and 2.5-litre V6 petrol engines or a 2-litre turbo-diesel which is the most advanced of its kind avail-

able. It has direct injection, offering better economy than the indirect injection systems still found on most diesel cars. A single overhead camshaft operates four valves per cylinder; the 10,000 mile/16,000km service intervals are the same as for the petrol engines.

The Vectra

isadequate

cheaper

alternative to a

3-Series touring or A4 Avant.

## Classic Cars

# The rebirth of a legend

Alexander McGregor on the new-found enthusiasm in the US for Nissan's 'Z cars'

**T**he driver accelerates on to the freeway ramp in fourth, foot down, and the red Persimmon Datsun 240Z takes the 180 degree curve without even the hint of a wobble or a tyre squeal. Coming out of the turn, the car explodes on to the straight of the freeway, zipping past the Californian traffic with only open road ahead.

Everything about this 240Z is new except that it is 26 years old and the odometer says 64,000 miles. Although that could just as well be 164,000 or 264,000, it is hard to tell. The 1971 Datsun 240Z were resilient cars much used.

Now the 240Z, or what can be found of them, are being reborn, Californian fashion, as Nissan renovates and recycles its most famous car-line. (Datsun was reclaimed and renamed by its owner, Nissan, in 1983.)

Nissan has undertaken a program to buy up old Datsun 240Zs, and send them through Pierre Z's Auto workshop in south central Los Angeles where they are given a complete make-over and then put out on the market as a new "classic" 240Z.

Perrot strips the reclaimed Datsuns to their shells and, while Nissan overhauls the engines, he and his team of nine rebuild the cars from scratch with all the hands-on dedication of fine art restorers.

The only noticeable differences to the original models are aesthetic – such as the new improved "bronzing" paint. Even so, colours are limited to the original seven choices, which include such grandy names as Mexican Red and Safari Gold.

Any parts with any wear are replaced, and although original materials are used as much as possible a few pieces have had to be newly manufactured. The most noticeable being the dashboards, which are made in Japan, and the cooling system has been improved. There

is now a double core radiator, and the original aluminium fan has been replaced by a bigger plastic fan.

Once having passed Nissan's 120-point inspection, the refurbished cars are offered for sale at one of the 10 Nissan authorised Z stores nationwide, with an estimated retail price of \$26,000. (In an open auction recently, one 240Z went for \$32,000 in three minutes.)

Already there are waiting lists of buyers, perhaps not surprising given the amount of nostalgia

generated by the car which not only was a breakthrough vehicle for Datsun/Nissan in the US, but also did much to revolutionise sports cars.

Production of the Datsun 240Z

**The Datsun 240Z offered the chance of owning a sports car at an affordable price**

started in 1968, and it began appearing in car showrooms in 1970. Over the next three years about 125,000 were sold, and by the early 1980s the sale of Z-lites – including subsequent Z-lines

reached 1m, making it the fastest selling sports car ever. In the process, British dominance of the sports car ended.

Certainly the Datsun 240Z offered a generation of Americans the opportunity of owning a sports car at an affordable price. The Datsun 240Z had speed, styling and a list price of \$3,526 – half of competitors such as the Mustang and the Corvette, and a third the cost of a Porsche.

It did not hurt sales, in the US especially, to design the car for the larger sized Americans. The Z-cars had plenty of head and leg room at a time when drivers of most other sports models were forced to climb into tight, capsule-size seats.

In 1986, after its 25th anniversary, sales of the Z-line had dropped to 1,400 units in a year and it was discontinued in

the US. By then the latest model, the 300ZX, had crept up to luxury car price range, in the vicinity of \$50,000, at a time when the sports car market was shrinking. In the 1990s, the compact, economical Miata, set the pace.

"We've reached the end of the baby boom era," says Mike Sage, owner of the largest Nissan dealership in the US. "Sports cars are perceived as an indulgence and finances aren't so readily available for that."

Then in a remarkable example of corporate schizophrenia, a year after stopping the Z-car, Nissan announced plans to celebrate its glorious past by starting a program to renovate the old 240Zs.

"The end of an era and the birth of a legend," was the tag line, as Nissan buyers started scouring the sunbelt states – the

"rust-free" states – from California to Texas for suitable wrecks, if not for renovation then for parts. Needless to say, the price of any old 240Z, no matter what the condition, trebled overnight.

The initial contract with Pierre Z's workshop was for 200 cars. In six months, they have produced 12 completely refurbished 240Zs, and according to Perrot, the production rate will pick up speed "now we are doing one car a week".

For dealers, they cannot come quick enough. "I have a waiting list of buyers," says Sage.

The newly renovated 240Zs are as good as new, if not better, than the original, and come with a 12-month, 12,000-mile limited warranty. Ironically, while they might be as durable and as driveable as they ever were, Perrot admits that for most buyers they will remain a collector's item, perhaps brought out for a weekend jaunt.

"One of my clients is a doctor who had to sell his 240Z when he was a student. Now, after his family have grown up, he is buying back his dream – but I think that he is keeping it in his garage."

## Cricket

# When winning becomes too easy

Canute James on efforts to stop the rot in West Indian fortunes

**T**here are few better indications of the extent of the decline in West Indies cricket than the relief that greeted the team's success in drawing past 300 runs in a Test innings during the recent and embarrassing tour of Pakistan. Equally instructive was the inability of the bowlers to defend almost 300 runs in a one-day match.

Pakistan's comprehensive dismantling of what was,

until recently, one of the more formidable machines in the game might have softened up the West Indians for next month's assault by Michael Atherton's England team. It has certainly forced those running the game in the Caribbean to try to find immediate answers to some pressing problems, despite the loss of form has not been sudden. The team was performing sporadically a

year ago in Australia when the West Indians were beaten. The struggle was obvious in this year's home series against India and Sri Lanka. These recent performances were far removed from the predictable victories of a decade ago.

Much has to do with attitude, both on the players' part and the administrators'. Winning became a habit, and one easily acquired. The team would lose the odd match or two, but the combi-

nation of talents in all departments of the game gave the West Indians a psychological advantage over their opponents, which counted for wins and wickets before a ball was bowled.

Such was the ease of victory that quite a few things were taken for granted. Fast bowlers do better on responsive wickets. Not only are they being denied such pitches by their opponents, but also by West Indian cricketers themselves, who do not know as much as they would like about local soil conditions.

Batsmen who were used to the ball coming on had great difficulty in negotiating anything which did not.

Churlish opinion in the Caribbean contends that it is all a result of the fall of a once-mighty team. This ignores the fact that other teams are doing much better, matching and now overtaking the West Indians. Despite the obvious differences in the levels of talent in international cricket, it is becoming increasingly foolhardy to predict the outcome of any tour.

But if the rest of the world has caught up with the West Indies, the problems for the game in the Caribbean have been exacerbated by the seeming unwillingness or inability of the administrators to be innovative with the structure and composition of teams.

There has been merit in the West Indian approach to persevere with players who show talent and promise but

who might go through bad patches. Had this not been so, the world might have seen very little to compensate for his phlegmatic disposition. He is conservative and predictable when innovation seems appropriate.

Walsh refuses to be drawn about stepping down. He will meet the West Indies Board when the team returns home from this week's one-day tournament in Sharjah. Not many expect he will stay on as captain, or that he will be asked to, although he might continue to play. The captaincy should fall to Brian Lara, who has frequently expressed his desire to lead the team.

Lara has already indicated that he will concentrate more on the field strategy. What the administrators and West Indians hope is that he will concentrate more on the game, and speak less off the field – about himself, and angrily to

members of opposing teams. Resolving the issue of the captaincy alone will not be enough. A captain, though he may be brilliant at the game and inspirational, might not on his own be able to change apparently institutionalised bad habits and attitudes in the players.

West Indian players, who appear to have concluded that they have security of tenure, should be made to compete for their places. While the West Indies was being humiliated in Pakistan, the "A" team has been touring South Africa. The selectors would do well to present some new faces in England, and to members of the present West Indies team. Statistics of past batting and bowling performances cannot provide the basis of selection.

But West Indies cricket, in the West Indies itself, is more than a sport. It is a form of politics, which is at

once a fragile adhesive in a fractious region and an avenue for the most base parochialism. When the team was doing well, voices questioning the selectors' choices were understandably muted. Now there is cacophony.

Nationalism informs much of the criticism. The more dispassionate voices concur, however, that the West Indies Board must be prepared to deal with the rot.

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Brian Lara, a good candidate for the next captaincy, has frequently expressed his desire to lead the team



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12/19/1997

## INTERNATIONAL ARTS GUIDE

## What's on around the world

## ■ AMSTERDAM

## EXHIBITIONS

Rijksmuseum

Tel: 31-20-673 2121

- Medieval illustrated histories: the *Hausbuch* and its Master. Drawings, prints and a panel painting by the the Master of the Amsterdam Cabinet, including the 64 sheets of the *Hausbuch*, which has been taken apart for restoration; to Jan 18
- On Country Roads and Fields: tracing the development of Dutch landscape painting through the 18th and 19th centuries, including examples of the Hague School and turn-of-the-century works by Van Gogh and Mondrian; to Mar 3

Stedelijk Museum

Tel: 31-20-572 2911

*Malevich: Works on Paper from the Kharlamov Collection* Exhibited for the First Time. 79 drawings in pencil, chalk, gouache, ink and watercolours, spanning almost the whole of the Russian avant-garde artist's career; to Jan 25

## OPERA

Netherlands Opera, Het Muziektheater

Tel: 31-20-551 8911

*Dialogues des Carmélites* by Poulenc. New production conducted by Yves Abel in a staging by Robert Carsen. Cast includes Joan Rodgers and Sheri Greenawald; Dec 22, 25

## ■ BARCELONA

## EXHIBITIONS

Fundació "la Caixa"

Tel: 34-3-207 7475

- Madrid-Barcelona, 1930-1936: brings together a group of around 100 avant-garde works from the period of the Second Republic, before the Civil War. Includes paintings and sculptures by Picasso, Miró and Dali, along with photographs, posters and films; to Dec 21
- Rembrandt: The Human and the Natural Landscape. 91 etchings from the Rembrandt House Museum in Amsterdam. The exhibition will transfer to Madrid; to Jan 11

## ■ BERLIN

## CONCERTS

Philharmonie

Tel: 49-30-2548 8354

Berlin Philharmonic Orchestra: conducted by Daniel Barenboim in works by Mendelssohn, Rihm and Bruckner; Dec 20, 21

## OPERA

Deutsche Oper

Tel: 49-30-34349-01

- Hänsel und Gretel: by Humperdinck. Premiered conducted by Ota Herold in a staging by Andreas Homoki; Dec 21
- Le Nozze di Figaro: by Mozart. New production conducted by Christian Thielemann and staged by Götz Friedrich, with sets by Herbert Wemcke; Dec 25

## ■ BOLOGNA

## OPERA

Teatro Comunale

Tel: 39-51-529 999

*Turandot* by Puccini. Revival conducted by Daniele Gatti in a staging by Hugo de Ana; Dec 21

## ■ BONN

## EXHIBITIONS

Kunst- und Ausstellungshalle der Bundesrepublik Deutschland

Tel: 49-228-917 1200

Kunsthalle Bremen: selection of important works including paintings, sculptures and copper engravings from the collection of the Kunsthalle Bremen; to Jan 11

## ■ CHICAGO

## EXHIBITIONS

Art Institute of Chicago

Tel: 1-312-443 3600

www.artic.edu

- Irving Penn, A Career in Photography: 150 prints, from every stage of Penn's career. Includes fashion photography, portraits and ethnographic series; to Feb 1
- Renoir's Portraits: Impressions of an Age. Around 65 paintings spanning the artist's career, of subjects including Claude Monet and Madame Renoir; to Jan 4

## OPERA

Lyric Opera of Chicago

Tel: 1-312-332 2244

www.lyricopera.org

Amistad: world premiere of Anthony Davis's new work about the 19th century anti-slavery campaign. Dennis Russell Davies conducts a production by George C. Wolfe; Dec 20

## ■ CLEVELAND

## EXHIBITIONS

Cleveland Museum of Art

Tel: 1-216-421 7340

www.clemusart.com

When Silk Was Gold: Central Asian and Chinese Textiles. Featuring 64 precious textiles from the 8th to 15th centuries, when they were of immense economic and cultural significance. Including the most important known "cloth of gold". The exhibition will travel to New York; to Jan 4

## ■ COPENHAGEN

## EXHIBITIONS

Louisiana Museum of Modern Art, Humlebaek

Tel: 45-4919 0719

www.louisiana.dk

Alberto Savinio, Paintings 1927-1952:



'Psyche Abandoned', 1780, a marble statue by Auguste Pajou, at the Louvre until January, then travelling to New York

## ■ FRANKFURT

## EXHIBITIONS

Schim Kunsthalle

Tel: 49-69-299 8820

Holy Russia: Icons and the Rise of Moscow 1400-1600. 50 icons lent by Russian museums are the centrepiece of this exhibition, which also includes 16 manuscripts. The period was a crucial one, which marked the rise of Moscow as a principality ruled by powerful Tsars. To Mar 1, after which the exhibition will travel to London

## ■ GLASGOW

## EXHIBITIONS

Burnet Collection

Tel: 44-141-849 7151

Sir John Lavery (1856-1941): The Irish Glasgow Boy. Highlights include "The Tennis Party" (1885), "State Visit of Queen Victoria to the Glasgow International Exhibition" (1888), and major portraits in which the influence of Whistler is clearly visible; to Jan 25

## ■ HONG KONG

## EXHIBITIONS

Hong Kong Museum of Art

www.usd.gov.hk/CMuseum

National Treasures: Gems of China's Cultural Relics. Major exhibition assembling some 160 works of art on loan from China's 30 museums. Includes bronze, jades, ceramics, paintings and tapestries, some of which have never travelled before; to Mar 1

## ■ HOUSTON

## EXHIBITIONS

Museum of Fine Arts, Houston

Tel: 1-713-639 7750

The Dark Mirror: Picasso, Photography and Painting. More than 300 works, the majority of them photographs, which will illustrate the relationship between the various media in which Picasso worked. The display includes studies of works in progress, self-portraits, and photographs of Rousseau and Bracque. The exhibition has been seen in Paris and will travel to Japan; to Feb 1

## ■ LONDON

## CONCERTS

Barbican Hall

Tel: 44-171-888 8891

Christmas Carol Concert: Richard Hickox conducts the London Symphony Orchestra and Chorus in a programme including Humperdinck's Hansel and Gretel, Overture and extracts from The Nutcracker; Dec 20, 21

## DANCE

Royal Festival Hall

Tel: 44-171-928800

The Royal Ballet programmes combining Ashton's Les Patineurs, Tales of Beatrix Potter, and Peter and the Wolf; Dec 23, 26

## EXHIBITIONS

Dorothy Chandler Pavilion

## ■ HAYWARD GALLERY

Tel: 44-171-261 0127

Objects of Desire: The Modern Still Life. Exploring 20th century developments of a 400-year-old genre, this show ranges from Picasso and Matisse to Oldenburg and Warhol; previously seen in New York; to Jan 4

## ■ NATIONAL GALLERY

Tel: 44-171-833 3321

Making & Meaning: Holbein's Ambassadors. This recently cleaned double portrait by Hans Holbein the Younger pictures two French ambassadors to the court of Henry VIII in 1533; to Feb 1

## National Portrait Gallery

Tel: 44-171-3060055

● Hyenas in Petticoats: Mary Wollstonecraft & Mary Shelley. Celebration of the joint bicentenary of the two women writers. Through portraiture, drawings and manuscripts the display examines their lives, times and writings; to Feb 15.

● Sir Henry Raeburn (1756-1823): previously seen in Edinburgh, this exhibition of some 60 paintings includes the major portraits belonging to the National Gallery of Scotland as well as loans from abroad; to Feb 1

## Royal Academy of Arts

Tel: 44-171-433 7438

Sensation: Young British Artists from the Saatchi Collection. Showcase of works by some 40 artists including Damien Hirst, Marc Quinn, Mark Wallinger and Rachel Whiteread; to Dec 26

## Tate Gallery

Tel: 44-171-887 8000

● The Age of Rossetti, Burne-Jones and Watts: Symbolism in Britain 1860-1910. Works by British artists including the pre-Raphaelites Rossetti and Burne-Jones are presented alongside those of European contemporaries; to Jan 4

● The Turner Prize 1997: display of works by each of the nominees of this year's all-woman shortlist: Christine Borland, Angela Bulloch, Cornelia Parker and Gillian Wearing; to Jan 18

## Victoria and Albert Museum

Tel: 44-171-928 8500

● Carl and Karin Larson: Creators of the Swedish Style. Recreates five rooms of the famous house at Sundborn, and examines its extraordinary impact on the interior design of our century; to Jan 18

● Zuloaga: Spanish Treasures from the Khalili Collection. First major exhibition devoted to the 19th century Spanish metalworker and his contemporaries; to Jan 11

## THEATRE

Lyric Theatre, Shaftesbury Avenue

Tel: 44-171-494 5045

Cyrano de Bergerac: by Edmond Rostand, translated and adapted by Anthony Burgess. West End transfer of the RSC production, starring Antony Sher and directed by Gregory Doran

## ■ LOS ANGELES

## CONCERTS

Dorothy Chandler Pavilion

Doris Duke Foundation

Tel: 44-171-928800

The Royal Ballet programmes combining Ashton's Les Patineurs, Tales of Beatrix Potter, and Peter and the Wolf; Dec 23, 26

## EXHIBITIONS

Dorothy Chandler Pavilion

Doris Duke Foundation

Tel: 44-171-928800

Alberto Savinio, Paintings 1927-1952: to Jan 11

● New York Philharmonic: Klezmerfest. With the Andy Statman Orchestra and Klezmer Conservatory Band; Avery Fisher Hall; Dec 21

## DANCE

New York City Ballet, New York State Theater

Tel: 1-212-870 5570

George Balanchine's The Nutcracker; Dec 20, 21, 22, 23, 26

## EXHIBITIONS

Brooklyn Museum of Art

Tel: 1-718-638 5000

Monet and the Mediterranean: "It is so beautiful here, so bright, so luminous! One swims in blue air; it is frightening!" wrote Monet from Cap d'Antibes in 1888. Bringing together more than 70 works, this exhibition presents the fruits of several journeys made by the painter, to the Italian and French Rivieras in the 1880s, to Venice in 1908. Assembled from public and private collections, these paintings provide a survey of the great impressionist's encounters with Mediterranean colour and light; to Jan 25

XVI. The display includes Pajou's five most famous marble statues, portrait busts and drawings. The exhibition will travel to New York; to Jan 19

## OPERA

Opéra National de Paris, Opéra Bastille

Tel: 33-1-4473 1300

La Traviata: by Verdi. Production directed by Jonathan Miller and conducted by James Conlon. Angela Gheorghiu sings the role of Violetta with Ramon Vargas as Alfredo Germont; Dec 20, 24

Opéra National de Paris, Palais Garnier

Tel: 33-1-4343696

The Merry Widow: by Franz Lehár. Armin Jordan conducts a new production directed by Jorge Lavelli, with sets by Antonio Lagarto; Dec 22, 26

## ■ ROME

## EXHIBITIONS

Musée Capitolin

Henri Matisse: more than 200 works are included in this major exhibition, which aims to demonstrate the profound influence of Oriental art upon the great modernist. Documents made available by the Matisse archives have made it possible to clarify the nature of the relationships between Matisse and various

# Weekend Investor

Wall Street

## It's been a great year, Pay up and take your chance calendar-wise

But, John Authers reckons, in baseball terms, it ain't over till it's over

To paraphrase a great New York luminary: it ain't over till it's over. Such wisdom from Yogi Berra, the New York Yankees' great catcher, seemed particularly apt at the end of this week, as the US stock market refused to enter its customary end-of-year hibernation and instead embarked on a nasty two-day slide.

The market looks as though it will remain volatile until the end of the year, and until the effects of the Asian currency crisis on the US economy, and specifically US corporate earnings, begin to become clear.

It therefore seems a little dangerous to attempt to wrap up the trends for the year.

However, a look at the winners and losers for the year so far, up until more bad news from Japan induced yesterday morning's latest share price slide, reveals some distinct patterns.

These become clearer after analysing the winners in the hectic period since the Dow Jones Industrial Average peaked in the first week of August.

For the year as a whole, Wall Street was the winner in every possible sense.

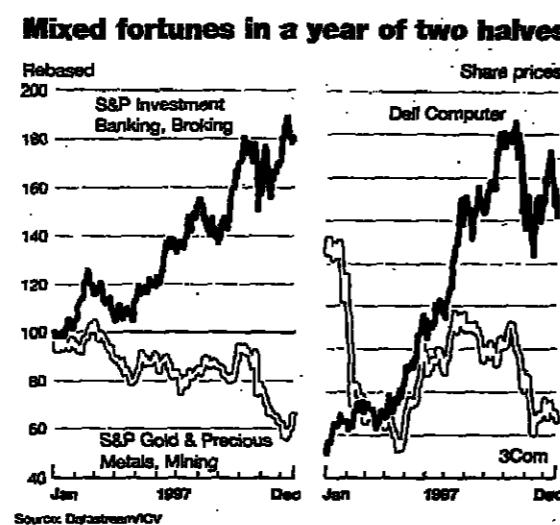
The Standard & Poor's investment banking and broking sector was up 84.94 per cent for the year, reflecting the extreme advantage which Wall Street can be expected to derive from a bull market.

A strong equity market, with the S&P 500 index up 28.97 per cent for the year, boosted fund managers' margins, while encouraging more companies to dive into mergers and acquisitions, which boosted Wall Street earnings.

On top of all this, US investment banks had their own internal merger boom, with several deals that redefined the way Wall Street works, headed by the takeovers of Morgan Stanley by Dean Witter and of Salomon by Travelers.

For the year as a whole, other powerful contributors include semiconductors (up 67.21 per cent) and computers (50.34 per cent), continuing the trend for the high-tech sector to pace the bull market.

As if to emphasise that



investment banking is the 1997's gold mine, the worst performing sector was gold and precious metals, down 40.88 per cent for the year.

A look at the best performing stocks for the year also reveals some predictable names. Dell Computer, the most successful discount computer manufacturer, gained 219.06 per cent for the year, making it the hottest S&P 500 stock. Top Dow stock was Travelers, up 84.91 per cent. Other strong performers for the year included Charles Schwab, the dominant broker for the new army of US retail investors, up 93.83 per cent.

On this basis, everything sounds like business as usual - the stock market continued to fare well with impetus coming from both Silicon Valley and Wall Street. But the foundations of the market look far less secure than they did at the end of last year. While high-tech stocks have had a good year, investors need to be much more discriminating than they were in the past. Several west coast giants have had an awful year, paced by 3Com (down 52.33 per cent), Apple Computer (down 3.33 per cent), and Oracle (down 18.71 per cent).

Networking and semiconductor companies dominate the list of worst performers in the four-month period since the market's August peak.

Semiconductors rose 160.52 per cent in the first eight months of the year. Since then, they have dropped 35.82 per cent.

Asia, the prime export

It is the time of year to get out the tarot cards, hold hands round the ouija board and try to guess what will happen to the UK stock market in the year ahead.

Alas, because of unforeseen circumstances, our regular soothsayer, Madam Zara, was unable to help out with the column. So we were forced to resort to those pin-striped pundits, the stock market strategists.

All turned out to be far too cautious with their forecasts for 1998.

Even the most optimistic cited in this column 12 months ago, NatWest and Panmure Gordon, opted for the FTSE 100 index to reach only 4,500-4,600 and 4,500 respectively.

Ian Williams, of Panmure Gordon, is a leading bull again this year. He thinks Footsie will reach 6,000 by end-December 1998, a target he put in place in August. "We are bullish about the

market for the high-tech sector, has much to do with this reverse for the sector."

It also lies behind some nasty reverses for longer established corporate titans. For the year as a whole, only three of the 30 Dow stocks are in negative territory. All of them - Eastman Kodak, Boeing and Sears Roebuck - have had very specific and well-publicised problems.

These include International Paper, which like all paper companies is critically exposed to the world economy and is now down 22.68 per cent. Caterpillar has dropped 13.37 per cent in that period, having previously posted a 55.48 per cent advance.

Wall Street measures its own progress using the calendar year. On this basis, it has been a great year, and many investment bankers are receiving appropriate rewards in the form of annual bonuses this week.

But there is a worrying sense that with August, and the beginning of the Asian currency crisis, US stocks entered a new phase. Incidents like yesterday morning, when the Dow managed to lose 260 points before recovering, are likely to continue until the health of corporate earnings becomes clearer next month.

**Dow Jones Ind Average**

Monday	7,922.59 + 84.29
Tuesday	7,976.31 + 53.72
Wednesday	7,957.41 - 18.90
Thursday	7,846.50 - 110.91
Friday	

Asia, the prime export

economic fundamentals," he says. "Our forecast of growth is above the consensus and our forecast on inflation is below it."

"We are also very optimistic about corporate earnings, which could grow by 11 per cent over the year. Gilt yields should fall to 6 per cent at the 10 year level." His main concern is about Wall Street, where he thinks the market might be too optimistic about the outlook for earnings.

Richard Kerasley, at BZW, is another strategist who has set a 6,000 target for end-1998.

He says: "We balance the concern about possible corporate earnings downgrades with the belief that interest rate expectations are too bearish. We think that rates will be coming down in the second half of the year."

"We also believe that the UK's economy is set to be a lot more convergent with the rest of Europe, and that

Britain's monetary union credentials will start to be priced in the market; good news for both bonds and equities."

Nick Knight, of Nomura, says the big surprise for 1997 was the fall in UK bond yields when most analysts were expecting them to rise. He thinks yields will fall a bit further in 1998, to 6 per cent at the 10-year maturity, helping Footsie to push forward to 5,800.

He is expecting only single-digit growth in earnings, adding: "This is a bond-driven, not an earnings-driven, market."

David McGain, UK strategist at NatWest Markets, thinks Footsie will reach 5,700 by end-1998. "We're optimistic about the UK market on a 12-month view but we're cautious about the next few months, given the fall-out from Asia and the potential for a US rate hike."

"The UK economy will slow but not go into a recession,



The pundits line up to guess what's coming

Corbis

station, and inflation could tick up over the next few months but will come down again.

That, and a reduction in the public sector borrowing requirement, means that gilt yields will remain supportive at current levels.

"Despite the hit from Asia, there is still scope for earnings and dividends to grow, probably by 8 to 9 per cent and 7 to 8 per cent respectively."

Richard Jeffrey, Charterhouse group economist, says there is "quite a lot of downside risk in the market. Investors have come to the conclusion that the economy has slowed to a sustainable rate of growth, and I don't believe it has".

Jeffrey is expecting further interest rate rises in the first half of the year, forcing the market down by 10 to 15 per cent. But any dip will be temporary and, once interest rates have peaked, the market will rebound to end the year at 5,200.

Mark Brown, of ABN-Amro Hoare Govett, is the most bearish strategist. His Footsie target for end-1998 is a pessimistic 5,000. He is looking for a modest rise in global bond yields, and for growth of just 5 per cent in industrial earnings. He also assumes that, after one more rise to 7.5 per cent, base rates will be held at that level until 1999.

He adds: "It is difficult to see how the market can do much better than drift sideways in this environment - which is our central case. If the winds of equity risk premium from Asia really bite, then the market could fall significantly."

Philip Coggan at HSBC James Capel, thinks the market will reach 5,500, with the main positive factors being earnings growth of 8 to 9 per cent and its high level of liquidity. But stock markets will be constrained by rising bond yields - "there's too much store been set in the theory that inflation is dead" - and the as yet unquantified effects of the Asian crisis.

Philip Isherwood, of Dresdner Kleinwort Benson, sees a supportive bond market, with the yield on gilts getting closer to that on German government bonds.

He is opting for a Footsie target of 5,600 but feels the index could well outperform the rest of the market, thanks to its heavy concentration on the defensive sectors of oils, pharmaceuticals and financials. Earnings of non-financial companies will grow by just 6 per cent.

According to Isherwood, a supportive technical factor is that institutions have been selling UK equities for 13 consecutive quarters.

But, with companies returning cash to shareholders, this disinvestment from UK equities cannot continue forever.

Philip Collins, UK equity strategist at HSBC James Capel, thinks the market

will reach 5,500.

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## European stock markets

### A vintage year for the World-beaters

But 1998 will see big changes, says Jeffrey Brown. Can the momentum be sustained?

**E**urope was a good place to be this year. With Japan wallowing in the doldrums after June, and greater Asia cascading into crisis in the third quarter, it has raced ahead of the World Index.

The FTSE/S&P Europe index, excluding the UK, is 27 per cent ahead in sterling terms up to December 19. This is not only a 50 per cent better return than the 18 per cent racked up by the World Index; it is also vintage stuff on its own terms. A gain of more than a quarter this year outpaces the 10-year average for FTSE/S&P Europe by a factor of 4.5.

Of course, much depended on stock market selection. Europe contains two of the top four performers among mainstream markets, Switzerland and Italy.

These rose 47 and 43 per cent respectively, just behind Mexico (49 per cent) but ahead of the US (36 per cent). France was back-marker of the seven leading European economies, and Germany and Sweden also flagged.

The momentum came across the board. Competition from debt markets eased throughout the year, with bond yields trudging steadily lower. And company profits stayed buoyant, accelerating to 23 per cent from 13 per cent in 1996.

At the same time, what stockbrokers like to call the "equity risk premium" subsidised, with governments generally

overhauling their budgetary acts in order to qualify for economic and monetary union (EMU) - and keeping a tight lid on inflation in the process.

Over the past three months, there has been a certain amount of hesitancy as a result of the turmoil in Asia which has threatened the outlook for the global economy. Recent stock market performance has been mixed and increasingly volatile, notably in Germany.

According to Isherwood, a

period of rapid and dramatic change, Europe could be a very different place in 12 months.

By early summer, the initial EMU members should be known, along with the line-up at the European central bank. The single currency is set to appear in 1999. With all this happening, it is not surprising that brokers' predictions for 1998 contain an even larger element of guesswork than is usual at this stage.

**Europe's big seven**

FTSE Indices in £ terms, % change (year to date)

	SWITZERLAND	ITALY	SPAIN	NETHERLANDS	GERMANY	SWEDEN	FRANCE	UK	ASIA	WORLD
Price	5020.2	-25.0	5330.8	4077.6	Far east markets side	5100.0	5081.0	5000.0	5000.0	5000.0

Source: Datastream/ICV

Can the pace be maintained?

Both inflation and long bond yields are at their

## WEEKEND INVESTOR

## ■ Directors' share dealings

Transactions in own companies

December 8-12, 1997

Company	Sector	Shares	Value (£'000)	No. of directors
SALES				
Frogmore Est.	Prop.	60,000	268	2
Man (ED & F)	FPro	3,050,000	7250	4
Ryf Bank Scotland	Banks	10,000	78	1
Stagecoach Holdings	Tran.	24,000	100	1
Thornes	RefF	60,000	144	1
Tinsley Robor.	PP&P	21,000	30	2
United News & Media	Meds	50,000	384	1
Wessex Water	Watr	29,938	151	1
Yorkshire Water	Watr	12,000	58	1
Kingfisher	RefG	65,300	532	1*
Scotties Power	Elec.	56,942	260	2*
Stagecoach Holdings	Tran.	25,702	100	1
Whitbread	Brew	27,800	242	1*
PURCHASES				
AIT Group plc.	SSer	11,834	21	2
ASTEC (BSR)	E&E	50,000	58	1
Automotive Precision	EngV	1,026,100	167	2
BTR Plc	DMT	410,000	735	3
Capital Gearing Trst	InvT	14,500	113	1
Comino PLC	SSer	15,000	18	1
Crabbtree Group	Eng	20,000	15	2
Dowding & M.	Eng	20,000	38	1
Elec. Data Proc.	E&E	51,730	106	1
Ernestine	BNM	200,000	17	1
Group Trust	InvT	30,000	48	1
Helping Group plc	Tran.	10,885	30	3
Murray Emerging Eq	InvT	50,000	32	1
NatWest	Banks	5,000	49	1
Principals	Meds	300,000	53	1
Schroder Ventures I	InvT	25,000	40	1
Scottish Radio Hold	Meds	37,400	139	1
Secure Trust	Orth	80,000	488	1
Starling Publishing	Meds	342,500	68	3
TGI	E&E	90,000	52	3
United Biscuits	FPro	7,575	17	2
Universal Ceramic M	BNM	56,500	44	3
Wagon Industrial Ho	Eng	13,000	37	2
Wembly	LAH	35,000	93	2

Companies must notify the Stock Exchange within the working days of a share transaction by a director. This list concerns transactions dated 8-12 Dec, including exercises of options [+] 100% success rate, and a value over £10,000. Information released by the Stock Exchange. Shares traded are ordinary, unless otherwise stated. [+] 25-44. Source: The Stock Exchange, Track, Edinburgh, 0131-473 7070.

## ■ Last week's interim results

Company	Sector	Year to	Pre-tax	Profit (£'000)	EPS (pence)	Dividends
Aberdeen New Dawn	InvT	Oct	168.37	(25.38)	(1)	
Amico	Spk	Oct	226.50	226.50	15	
Arcon International	Edc	Aug	1,300	(27)	(1)	
Aromasap	ED&E	Oct	1,076.1	(1,068)	11	
Asda +	RefD	Nov	180,000	22,400	0.91 (0.81)	
Avocet Mining	SSer	Sept	1,002	(2,950)	(1)	
Bandi	SSer	Oct	2,888	(1,449)	0.4 (0.3)	
Beaumont	AM	Sept	105	(267)	(1)	
Belhaven	FPro	Sept	2,750	(2,20)	2.1 (1.9)	
Bowray	Eng	Sept	5,040	(2,205)	(1)	
Break for the Border	Brws	Sept	343	(221)	0.7 (0.6)	
British Thornton	Prop	Oct	501	(1,063)	(1)	
Caluna	ED&E	Sept	2,770	(2,004)	(1)	
Carpathian	SSer	Oct	1,200	(14,009)	0.5 (0.5)	
Channel	ED&E	Oct	1,770	(1,380)	0.55 (0.55)	
Cloes Brothers VCT	InvT	Sept	207.1	(24,92)	1.76 (1.75)	
Cloes Brothers VCT C	InvT	Sept	95.5	(1)	1.5 (1)	
Computerland UK	AM	Sept	388	(1,052)	0.05 (0.05)	
Cook (DC)	Dist	Oct	1,950	(2,229)	0.84 (0.8)	
Creative Publishing	SSer	Sept	2,600	(671)	0.1 (0.1)	
Crest Packaging	PP&P	Oct	1,220	(1,375)	1.375 (1.375)	
Dartcoor	SSer	Sept	222.16	(164,79)	3.1 (3.0)	
Druck	SSer	Sept	4,180	(4,280)	0.58 (0.58)	
Edinburgh Japan	InvT	Sept	110.2	(1,458)	0.35 (0.35)	
Em	SSer	Aug	6,070	(2,110)	(1)	
Euclidian	SSer	Sept	1,110	(1,320)	0.25 (0.25)	
F&G Smaller	InvT	Oct	215.55	(201.81)	1 (0.8)	
Fee Art Devs	SSer	Sept	12,400	6,170	0.57 (0.57)	
First Ireland	InvT	Sept	604.04	(622.13)	5.2 (4.5)	
Ground Control	ED&E	Sept	2,662	(2,152)	0.25 (0.25)	
Hedgehog	Eng	Sept	933	(953)	2.25 (2.25)	
Heronstone	Text	Sept	234,500	(21,000)	0.15 (0.15)	
Hisco Select	SSer	Sept	810	(827)	1.5 (1.3)	
Jones Stride	Text	Sept	3,316	(2,600)	5.5 (5.25)	
Kenwood	SSer	Oct	2,200	(2,200)	0.25 (0.25)	
Kingfisher	Corps	Sept	4,116	(4,109)	0.25 (0.25)	
Lawrence	AM	Sept	1,220	(865)	1.9 (1.65)	
London Merchant	Prop	Sept	80,000	(15,160)	0.8 (0.8)	
Lonsdale	SSer	Sept	185	(403)	(1)	
M&S High Income	InvT	Nov	12,351	(3)	0.95 (0.95)	
MFI Furniture +	SSer	Nov	35,400	(22,700)	1.8 (1.7)	
Murray Smaller	InvT	Nov	405.2	(406)	0.15 (0.15)	
Murray Split	InvT	Nov	200.5	(204.5)	3.05 (2.9)	
Optoelectronics	SSer	Sept	38	(114)	(1)	
Pemberton	AM	Sept	105	(94)	(1)	
Phonalink	SSer	Sept	1,748	(2,184)	0.25 (0.25)	
Plyus	PP&P	Sept	3,000	(3,000)	2.2 (2)	
Platinum Int'l	InvT	Nov	304,500	(313,42)	2.25 (2.15)	
Stockbourne	Prop	Sept	125	(768)	(1)	
Swan (John)	SSer	Sept	1,000	(980)	0.25 (0.25)	
TR Technology B	InvT	Oct	432.72	(1)	28.0 (28.0)	
Towers	InvT	Oct	161.27	(160.03)	(1)	
Templeton Emerging	AM	Sept	128.65	(154.8)	(1)	
Thomas Potts	AM	Sept	14	(340)	(1)	
Toad	Eng	Sept	1,120	(2,400)	(1)	
Universal Salvage	Eng	Sept	3,020	(2,810)	1.05 (1.05)	
Uttifex	Eng	Oct	2,200	(421)	0.4 (0.4)	
Vandy (Reg)	AM	Sept	6,420	(8,000)	2.85 (2.85)	
Victory	AM	Sept	3,400	(1,160)	(1)	
Welwyn	Eng	Sept	1,020	(1,160)	0.45 (0.45)	
Welsh Industrial	InvT	Oct	240.5	(255.2)	(1)	
Zego	AM	Sept	78	(78)	0.25 (0.25)	

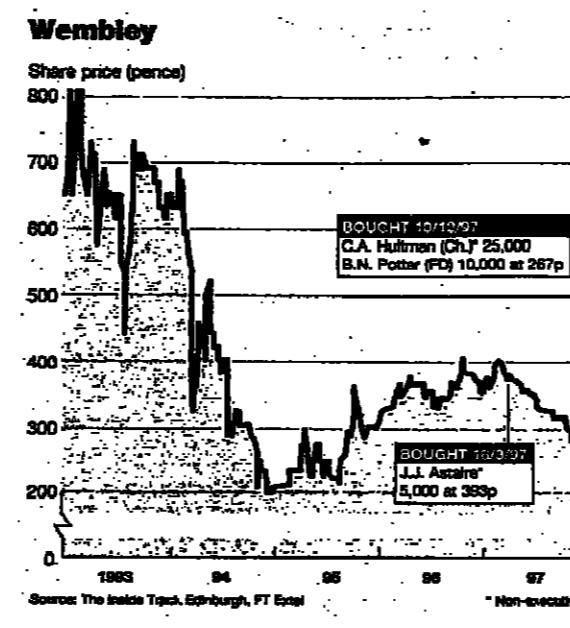
(Figures in parentheses are for the corresponding period). Dividends are shown per share, except where otherwise indicated. £'s = £1,000s and cents. \* 26-week figure. \*\* 13-week figure.

Company	Sector	Announced	Last year	This year	Dividend (£)
<b>FINAL DIVIDENDS</b>					
Acstar & Hutchison	FPro	Tuesday	3.5	6.5	-
Freepages	AM	Monday	-	-	-
Spinal (CA)	Text	Tuesday	-	25.0	-
<b>INTERIM DIVIDENDS</b>					
Barrasford Hdg	AM	Monday	-	-	-
Scotleasy	SSer	Monday	1.1	-	-
Stewart & Wright	Prop	Tuesday	-	7.00	-

\*Dividends are shown net per share and are adjusted for any corporate actions. Reports and accounts are not normally available until about six weeks after the board meeting to approve preliminary results. \*\* 2nd quarter, \* 2nd quarter, \* 3rd quarter, \* 4th quarter. This list is not necessarily comprehensive since companies are no longer obliged to notify the Stock Exchange of imminent announcements.

## New issues

Demergers seemed the flavour of the week, writes *Emiko Terazono*. Diageo, the food and drinks group created from the \$38bn merger between Guinness and Grand Metropolitan, started trading this week after getting conditional approval from US competition authorities based on the sale of the Dewar's whisky brands in the US. But it had a lacklustre opening. National Parking Corporation, the car parks operator, set for January 26.



Source: The Stock Track, Edinburgh, FT Data

— Non-executive

BOUGHT 10/10/97  
GIA, Hutton CDR 25,000  
BUN, Potter FCD 10,000 at 26p

BOUGHT 10/10/97  
JLL Aspasia 5,000 at 33p

## FT WEEKEND

Ireland's most beautiful actress clapped my chin in her alabaster hand. "You have a classic Anglo-Irish face," she said. "And deep brown eyes - all Protestants have deep brown eyes."

I am neither Anglo-Irish nor Protestant and, the last time I looked, my eyes were green. However, at that moment, I was not inclined to argue if the lady decided I was a seal, I would have happily flipped round the room balancing a ball on my nose for a single touch.

I am, for a while, leaving Dublin. The actress was invited to the party. It turned into a jolly affair.

There are few more glaring examples of the differences between the Irish and the English than their attitudes to partying. In England, invite people for an early evening drink and anyone who stays after 8pm is considered a drunken rake and automatically struck off the social list.

In Ireland, those leaving such

a function before midnight are either thieves sneaking out with the silver or guests popping out for additional sustenance.

On the stroke of 6.30pm the door opened and in came Finbarr, the Dublin church owner, hotelier, greyhound fancier and master spoon-player. As generous as ever, Finbarr had brought a crate of drinks, a quantity of crystal and even a bag of ice. He had also brought some uninvited guests - two property developers, an undertaker, a waitress and a small man with an uncontrollable wince who said he did "a bit of this and a bit of that".

In all, 30 had been invited. By 8pm there were nearly twice

that number present and the floorboards, home to some of the country's more hyperactive types of woodworm, were showing the strain. Luckily, by the time the dancing commenced at midnight, the bulk of the party had moved to the basement in search of further victuals.

An auctioneer, nicknamed "The Lick", whispered in my ear. "Creditors are a terrible pest. You're best to get as far away as possible." I tried to correct him. My leaving was not a question of escape. Most bills had been paid. There were other reasons for going.

The Lick was unconvinced. "The country's booming. The

champagne is flowing and more oysters are sliding down throats than ever before. So why abandon ship?"

The actress slid past. Her heavenly scent momentarily blocked out the smell of choice red wine sinking into the Persian rug.

"That's one of the problems," I said. "Ireland is too successful. It's like Britain at the height of Thatcherism, far too smug and pleased with itself. You have to book three weeks ahead for lunch. Everyone talking about how much their house has gone up in value in the past week."

I warmed to my theme. "Look at the roads. A few years ago, rush hour in Dublin was the

time it took to leave the front door of the bar and sneak in the back. Now look at the city. Traffic jams at all hours, cars littering the pavements. It's as bad as Bangkok."

The Lick dropped his cheeroot into the sunvisor. Down the country, I said, things were even worse. In the old days, the cars ran on half tyres and had doors held on by twine. There might have been two sheep in the back seat and the one headlight in operation was shining at Venice. But at least people motored along at only 10 miles an hour.

"Nowadays, all manner of modern machinery is flying down the boreens, with your man at the wheel talking to his broker on the mobile while the fellow on the tractor round the corner is reversing his truckspreader out of the gate."

"No wonder whole regiments of drivers are being consigned to the graveyards. The undertaker here has a glint in his eye. He probably has a measuring tape in his pocket."

The Lick, leaning against the mantelpiece, had nodded off. A man whom I had never seen before asked when people were going to leave. He said he had work to do. I pointed out he was in my house. "That's what they all say," he said.

I am not deserting Ireland entirely. The country demands is still there though due to some

rather rash outgoings at the bookmakers, the landholdings have been reduced to a solitary acre.

Sometime before dawn, I have a dim recollection of speedmaking. Beckett had gone to Paris, Joyce to Trieste, Wilde to Reading and I was bound for the Cotswolds. I said I needed to breathe some fresh air and shake the dandruff of complacency off my shoulders.

Party survivors say it was about this point that, overcome with bombast and emotion, I collapsed. The actress called the next day. It seemed she and The Lick had struck up a friendship in the dark hours and were heading off to New York.

"But why not come to the Cotswolds with me?" I asked. A tinkling giggle, like a gentle breeze blowing through a chandelier, echoed down the phone. "Oh, I could never do that. So boring. And anyway, my mother always warned me off Anglo-Irish, brown-eyed Protestants."

newspaper is not generally considered essential.

Recently, for example, we were offered an article excelling the healthiness of country living - "Living in a city is bad for you". Barely a month later, the same paper was concerned enough about the health dangers of country life to present us with the starker of warnings - "Country living can be bad for you".

This aspect of the tabloid world view may raise a chuckle, but the neglect of rural matters on the part of what is commonly referred to as the "popular press" (accounting for about 80 per cent of newspaper sales) is also disconcerting. It leaves the real concern of country dwellers almost exclusively to the broadsheets.

Issues recently highlighted by the "serious press" have included the problems caused by the uncertain price of agricultural land; the social difficulties presented by the buoyant market in country property, fuelled by city-dwellers casting ever further afield for their weekend retreats; the government's requirement to build millions of new homes in the next 20 years to cope with the demands of an increasingly frac-

The terrible din was described as 'a constant sort of baaing noise...'

tured society; and the struggle for survival of once-thriving local general stores in the face of competition from out-of-town superstores; the list is a long one.

Yet, if it is fair to accuse the British tabloids of choosing to ignore the realities of country living, could the same accusation not be levelled at the majority of British people? After all, sales of any magazine with "country" in the title (Country Life, Country Living) attest to the rude health of the rural idyll.

Maybe it is true that in their hearts most urban Britons still privately nurture those images of village and church, farmer and field. And if it is true, then the tabloids would doubtless argue they are merely holding up a mirror to our own collective sentimental delusions.

But isn't it a shame to take such a limited view of the great outdoors? There's a whole sector of the population and a way of life out there, going through changes nearly as great as when deindustrialisation was first introduced, and yet the upheaval is taking place largely unreported by the popular press.

If only the story somehow fitted the rules: "Farmers missing, feared abducted by social change". But it missed out on all five counts.

rid is a grid-lock nightmare for most of the 70km journey.

The future of Toledo lies in attracting a community of romantic heroes - professionals from Madrid or second-home seekers, who will gladly inhabit thick-walled houses whose roof-beamed rooms stay warm in winter and cool in summer. Most are built around ceramic-tiled patios and have deep underground wine-cellars.

New residents would bring in their wares businesses to service them, so Toledo's city authorities need constructive plans as encouragement. Eliminating the red tape required to restore buildings would be a start and providing incentives for those willing to rebuild old houses would help.

The Fundación Toledo has been lobbying for these and more. It also wants a non-stop commuter train to Madrid, to cut the rail journey of 80 minutes by half.

"We have to be incredibly imaginative if Toledo is going to remain standing," says Marañón. His weekend home, a hilltop 16th century monastery that was rebuilt by his grandfather, looks down on a Toledo that remains, for the time being, much as El Greco saw it.

## Arcadia

# Long on rural idyll and short on reality

Nick Martin treads warily in the country as portrayed by Britain's tabloids

**T**he first faint rustlings as the hedgerow stirs into life. The chiming of the village church borne on the breeze from the far side of the valley as the silhouetted farmer steals a quiet look of satisfaction at the furrowed fields spread before him.

And then again, there is real life. When it comes to the countryside and the country way of life, the British tabloid newspaper has always been long on idyll and short on rural reality. Only at times of crisis - the campaign for and against the fox hunt, the beef health scare - is the tabloid journalist prepared to pull on some boots and head off into the fields in pursuit of perspective.

For the rest of the time, tabloid reporters are content to view the countryside as a convenient spawning ground for tales of strange happenings and even stranger behaviour.

Study the rural stories that these papers carry and a pattern begins to emerge. There are very few essential elements, and these occur with astonishing regularity. They can be distilled into the following five rules of thumb:

1. Manure - slurry, muck, druppings: call it what you will, it's always a winner.

2. Conflict - friction arising from the whining of interloping towns usually goes down well.

3. Europe - some reference to the peculiar ways of foreigners, or (even better) interference by the European Union.

4. Madness - mental instability and/or unpredictable behaviour on the part of the rustic characters is helpful.

5. Health - if all else fails, try

and squeeze in a health angle. The more of the above any one story satisfies, the better. An almost textbook example of a "three-rule" story cropped up when it was reported that orders for British manure (rule 1) were being cancelled by German farmers (rule 3) after health scares (rule 5) concerning British cattle - and all of this under the frankly irresistible headline "Krauts ban Brits' dung".

Or consider the following story, headed "Farmer in stink over manure". A farmer was taken to court after having been the subject of complaints about the frequency of his muck-spreading (rule 1), when the signature smell of the countryside wafting across the fields began to bother the residents of a nearby housing development.

The court duly found in favour of his neighbours, and to his obvious disgust the farmer found himself restricted to 15 spreading days a year.

"I feel the magistrates didn't seem to know about country matters," the farmer complained, "they seemed more like city people" (rule 2).

So far so good, of course, but the icing on the cake was supplied by the man from the National Farmers' Union who turned up in the nick of time to provide the missing element, helpfully volunteering the opinion that we were in danger of becoming like the Netherlands (rule 3), where muck-spreading is restricted by law to just four days a year.

"And where will it all end," asked the FU man, reflecting ruefully on the implications of the church, "with complaints about cows mooing or church bells ringing?"

## COUNTRY MATTERS

MORE MUCK INSIDE!



## FOREIGN EURO-TOWNIES IN MUCK HEALTH SCARE!

In the event, these remarks turned out to be uncannily prescient - readers of the tabloids over the past few months may well recall the following two-rule stories. First, we were introduced to the splendidly unpredictable (rule 4) and admirably alternative Midge Mather, who, madened by what she considered excessive bell-ringing in her village and fearing for her brother's state of mind (rule 5), broke into the church and restored peace by the simple if drastic expedient of cutting the bell ropes.

Then came reports of the rural environmental health officer who

received an official complaint from the new owner of a week-end cottage (rule 2) claiming that his health was beginning to suffer (rule 5) as a result of lack of sleep caused by the unacceptable smell coming from the land of his farmer-neighbour - he described the sound as "a constant sort of baaing noise..."

Rule 1, meanwhile, emerges as

the market leader for two-rule stories, and is perhaps at its strongest when twinned with rule 3. When farmers in the Netherlands, Belgium and northern Germany were accused of being so liberal with their muck-

spreading that the smell, breezing across the channel, was beginning to cause offence in southern England, the story ran under the headline "A pong for Europe".

Lucky, then, that the assiduous Brussels bureaucrats are already on the case. "Brussels noses towards anti-pong law" was a report on the important work of ofcacoformists, who are trying to establish "smell factor norms" and to set limits of acceptable smell from European farmyards (and, happily for tabloid readers, in the process satisfying rules 1 and 3).

Rural stories observing only one of the rules are comparatively rare. The farmer who wanted to complain about his treatment at the hands of his bank was, however, clearly a student of the rules. He wisely opted to go straight for rule 1, driving his tractor to his local branch and depositing several tons of slurry on the doorstep - a cheap and effective way to ensure widespread coverage.

Almost any country story with a health angle can be worked up

to fill a whole page, but it is perhaps worth highlighting that consistency within the same

seen from its surrounding hills, silent on a promontory above the Tagus River and perfectly compact within its medieval fortifications, Toledo looks like a ghost town. In a few years, it may be just that.

From a distance, only the long line of buses parked outside the city's walls reveal there is life going on inside. Many of the city's population have moved out and been replaced by thousands of day-trippers, who are being led around the city's labyrinthine alleys to visit convents, synagogues and museums.

Barring the heritage sites that draw the tourists, the rest of Spain's most historic city is on the brink of collapse. The urban landscape of close-knit sandstone buildings, peppered here and there by church towers, that has inspired artists from El Greco onwards, risks falling to the ground.

Toledo has for the past millennium withstood sieges, famines, the loss of political supremacy and economic decline; it now looks unable to survive the modern conveniences that consumers will demand in the coming one. Even the 13 ancient orders, of nuns are seeking advice on how to adjust to changing times.

projects and campaigns to have television aerials removed in the old town and traffic flows reduced.

One of its more imaginative initiatives has been to provide legal advice for the enclosed orders of nuns, who live hidden within the city walls. They get by making confectionery, binding books and even creating wedding hats in one convent," says Marañón. "We pay for a lawyer who helps them cope with modernity, with tax forms, for instance."

A successful Madrid businessman, Marañón believes conservation is too limited a term. The overwhelming challenge is to come up with ideas to stop the town from falling down as the threat of nobody living in it any more looms. Even the convents are more than 65 years old, and they are moving elsewhere at the rate of 700 a year.

"In 10 years' time, there will be

commissioned what it calls an audit of the old town from a group of economists and urban planning experts to assess the problem of its vanishing population. The report, which has taken two years to complete, was the

first detailed study of housing

conditions and civic amenities within the city walls.

The audit established that about 600 houses in the historic town, a quarter of the total, were partially or wholly empty and that, out of these, 115 buildings

were, in addition to their age, of exceptional architectural interest. As well, half of old Toledo's houses were in a state of greater or lesser disrepair and 86 institutional buildings, mostly convents and churches of the total, had badly deteriorated.

It is easier to pinpoint what has driven people from the old town than to conjure up what will bring them back. "You have to be a fully paid-up romantic and a gentle hero to buy a house in old Toledo, do it up and live in it year round," says Paloma Acuña, general manager of the Fundación Toledo.

She knows what she is talking about. Acuña has done that, although she contributes to her office in Madrid.

Bringing home the weekly groceries means driving to the new town and she has to park well away from her house because its surrounding streets are too narrow to admit a car.

Acuña has also discovered that Toledo, although packed with history and art, has a limited cultural life and that driving to Madrid

## Metropolis

# The making of a ghost town

Tourists are moving in and the residents are moving out of Toledo, writes Tom Burns

in old Toledo has a limited cultural life and that driving to Madrid

is a grid-lock nightmare for most of the 70km journey.

The future of Toledo lies in

attracting a community of

romantic heroes - professionals

from Madrid or second-home

seekers, who will gladly

inhabit thick-walled houses

whose roof-beamed rooms stay

warm in winter and cool in summer.

Most are built around

ceramic-tiled patios and have

deep underground wine-cellars.

New residents would bring in

their wares businesses to service

them, so Toledo's city authorities

need constructive plans as

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